



2021 ANNUAL REPORT

QTECH



Through the years

Congratulations tTech!



**Don Wehby,
Group Chief Executive Officer,
GraceKennedy Limited**

"For 15 years, tTech has been delivering first class IT service to the GraceKennedy (GK) Group, providing invaluable support to our operations. Founded by one of our very own, former GK CIO, Teddy Alexander, the tTech team has always been a part of our GK Family, and we extend our congratulations to you all on this important milestone. We are extremely grateful for all the hard work and dedication you have committed to our partnership over the years and look forward to celebrating many more years of success together in the future."

Christopher Berry, Chairman, Mayberry Investments

"For the last 6 years tTech has helped Mayberry by supporting our data infrastructure thus freeing up our IT team to take on many new projects which have been very beneficial to our digital transformation.

During this time we have recommended tTech to many of our business colleagues and I would say to any Jamaican or Caribbean CEO, tTech can help you to move faster along this digital journey that all of us have to make.

Both Teddy and Chris have been long time friends and tech advisors to me, and I unreservedly recommend tTech. They are both reliable and men of impeccable character and I feel blessed to have shared so much with them over the years.

Today I am happy to celebrate with tTech as it embraces this 15th Anniversary."





**Cecille Pennycooke,
Customer Service Manager,
Island Car Rentals**

“Congratulations! You have reached the 15-year milestone. tTech should be proud of the impact they have made over these foundational years. We know how important it is to take time to build relationships. We have found this partnership to be the best investment a company can make in ensuring client satisfaction and generating growth. Our experience is that tTech always try to understand our needs. Thank you to the team at tTech. May you have many more successful years ahead.”

**O’Neill Gordon-Smith,
Administrative Director,
Garbage Disposal
& Sanitation Systems
Limited**

“Congratulations on your 15th anniversary!! Over the past four (4) years, tTech has provided excellent support to GDSS. For this we are truly grateful. We look forward to our continued partnership.”



tTech is a Jamaican company that delivers world-class IT services through empowered and engaged team members who provide an insanely-good customer experience.

We help organisations to maximize returns on their IT investments resulting in them providing glowing references.

We provide a positive and honest environment which is underscored by a culture that minimizes bureaucracy, and embraces change.

tTech will impact the markets in which we operate by consistently raising the bar for the industry through innovation and continuous improvement. We contribute to causes that facilitate growth and opportunity for our communities.

To help achieve greatness by delivering IT Peace of Mind.

Values & Attitudes = Behaviours

We care about people =
Appreciative & Respectful

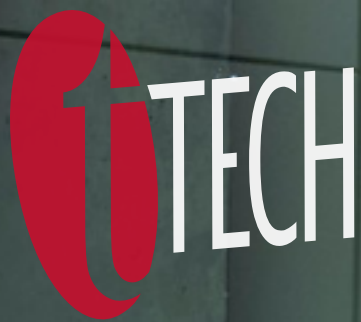
We are open and honest =
Trustworthy & Fair

We do what it takes =
Committed, Proactive, Responsive

We have each other's back =
Supportive, Progressive

We are continuously improving =
Empowered





2021 ANNUAL REPORT

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Form of Proxy

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Testimonials

"Our association with tTech has been beneficial. It was really what we were looking for in an IT solution. And so, we recommend entities that have similar challenges to utilize tTech's services. The services tTech offers, allow for a diversity of expertise. We wanted to have expertise in the areas of network communication, IT Infrastructure, software, utilization of application and we found that tTech was able to address those areas fairly and efficiently with a budget in mind.

Our experience with tTech has been rewarding. It has also been very enlightening. What we appreciate with tTech is the structure that they have for resolving issues. All our issues were logged, tracked and addressed in a timely manner. We also appreciate the fact that tTech was constantly in contact with us in terms of ensuring that the solution that they were providing were addressing our issues. We are happy that tTech is in a position to offer a variety of solutions and scale it to meet our needs."

- *Hugh Cooper, CFO, Medical Associates*

"For sure, we will recommend tTech to anyone and any business. Why? tTech is professional, caring and reliable. We need them, they are there. We've had storms in the past and tTech ensured that our network and our equipment is shut down, secured and restarted in time for the start of business. We've had breakdowns and numerous issues, and we've never had an issue with tTech being there for us, being reliable and ensuring that we are up and running in the shortest possible time."

- *Kimberly Thompson-Barrett, Group Administrative Services Manager, West Indies Petroleum Limited*



What We Have Achieved...

2017

tTech Limited was ranked among the world's most progressive 501 Managed Service Providers (MSPs) based on MSP Mentor's 10th-annual MSP 501 Worldwide Company Rankings.

tTech was ranked as one of the "20 Most Promising Enterprise Security Solution Providers 2017" in August 2017 Enterprise Security Special Edition of CIOReview – a technology & business magazine for corporate decision makers of enterprise IT.



2018

tTech was 2nd Runner Up in the Corporate Disclosure & Investor Relations and the Best Website categories for Junior Market companies at The Jamaica Stock Exchange Best Practices Awards.



2019

tTech Ranked Among World's Most Elite in MSP 501 in IT at the prestigious 12th Annual staging of the Channel Future Managed Service Provider (MSP) 501 rankings. The company was the only Jamaican based awardee and one of two in the Caribbean and Latin America.

tTech was awarded with the Private Sector Organisation of Jamaica/Jamaica Customer Service Association Service Excellence Award for being the overall winner in Service Excellence in the Small Company category and category winner for Training and Capacity building.

tTech was awarded with The Human Resource Management

Association of Jamaica HR Innovation Award with a 2nd place Silver Star Award – Leader in Innovation.

tTech was named second place winners for 'Excellence in Outstanding Corporate Social Responsibility' by The American Chamber of Commerce of Jamaica (AMCHAM) at their 33rd annual Business and Civic Leadership Awards for Excellence ceremony.

Jamaica Stock Exchange 5K Run Top Team.
3rd Place Junior Market.

2020

Jamaica Stock Exchange Best Practices Award for Best Website for Junior Market Companies.



tTech's fully-managed IT services suite is designed to help you **take the hassle out** of IT management, so you can focus on growing your core business.



Your IT partner for growth!

For one fixed monthly cost, we'll provide IT management, monitoring, technical support and full problem resolution. **Call Us Today!**



Call: (876) 656-9599 or 656-8468 • **Email:** sales@ttech.com.jm • www.ttech.com.jm

AGM



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting of tTech Limited (the "Company") will be held on Thursday, September 15, 2022 at 3 p.m. EST (Eastern Standard Time) in a fully electronic format to consider and if thought fit, to pass the following ordinary resolutions:

1. To receive the Company's Audited Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2021. To consider and (if thought fit) pass the following resolution:

Resolution No. 1 "That the Directors' Report, the Auditor's Report and the Statements of Account of the Company for the year ended December 31, 2021 be approved."

2. The Directors to retire from office pursuant to Article 102 of the Articles of Incorporation are Hugh Allen and Tracy- Ann Spence.

Resolution No. 2 To approve the election and re-election of Directors recommended for appointment to the Board of Directors of the Company. To consider and (if thought fit) pass the following resolutions:

- a. "That retiring Director Hugh Allen be and is hereby re-elected a Director of the Company"
- b. "That retiring Director Tracy-Ann Spence be and is hereby re-elected a Director of the Company."

3. To fix the remuneration of the Directors. To consider and (if thought fit) pass the following resolution:

Resolution No. 3 "That the amount of \$1,945,000 included in the Audited Accounts of the Company for the year ended December 31, 2021 as fees for their services as Directors be and is hereby approved."

Dated this 24 day of April 2022

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read "G. Murray".

Gillian Murray
Secretary

REGISTERED OFFICE
69 ½ Harbour Street
Kingston

A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company. A Proxy Form is enclosed for your convenience. Completed Proxy Forms must be lodged at the Company's Registered Office at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.

In light of the COVID-19 Pandemic, the date of the Annual General Meeting on June 23rd, 2022 is subject to change as per any laws, regulations, orders and/or guidance proclaimed by the Government of Jamaica and/or its statutory bodies and/or executive agencies.

***** The details of the various modes of accessing the meeting online will be shared on the websites of tTech Limited and the Jamaica Stock Exchange.**

CEO's Message

For the year ended December 31, 2021, tTech realized revenues of \$393.2 million, an increase of \$32.7 Million or 9.1 % over 2020 (\$359.4 Million). Net Profit for the period was \$8.2 million. This is \$14.3 million or 63% less than 2020 (\$22.4 Million). Inventory adjustments contributed significantly to the less than stellar results, but we are reviewing our processes to minimize the possibility of these adjustments recurring.

Global Supply chain issues

The COVID-19 pandemic created global supply chain issues hitting the semiconductor manufacturers in a major way. The shortage of chips affected consumer electronics and high-tech equipment manufacturers which hurt multiple industries including the regional and local IT industry. In the second half of the year, tTech felt some of these effects resulting in equipment supply delays which impacted project completion and ultimately affected our profitability.

tTech is 15

tTech celebrated its 15th Anniversary on December 1, 2021 and we opted to give back to our community instead of hosting any celebratory events. tTech donated approximately \$1 million worth of tablets to local students. Throughout 2022, there will be other initiatives across the island to commemorate the milestone – including client and staff activities, green initiatives, and scholarships for tertiary students. Further details are provided in the Corporate Social Responsibility report.

A growing, highly engaged team

At the end of 2021 the tTech team stood 53 strong, up from 45 members at the end of 2020. Areas of growth included Sales & Marketing, Service Desk, and Consulting.

The Team operated in hybrid work

mode during 2021 as we navigated the new norms of working. We expanded our flexible work arrangements to include telecommuting for team members temporarily located overseas.

The Health & Wellness of our team continues to be a top priority as such we continue to provide access to services that supports the wellness needs of the team. This year, we signed a partnership agreement with Express Fitness for subsidized gym membership to support the physical activity and fitness of the team. As a part of our wellness initiative, the team participated in a wellness hike on the Gordon Town Trail, followed by swimming and Lunch at the Raf Jam River & restaurant.

Customer Engagement

For a second consecutive year our customer engagement activities were delivered mainly via online methods. Our marketing team continued to find innovate protocol friendly ways for us to engage and educate our prospective and existing customers. We hosted several events focused on the implications of the new Data Protection Act which came into effect on December 1, 2021. Data Protection; Fostering a Culture of Privacy and IT Security Management and Governance were just some of the topics in these sessions. We also introduced our range of services aimed at helping customers become compliant with the new law. These services will ensure that businesses have the organizational processes and the very important technical processes in place to protect the private data that they are processing for their customers and staff members.

In partnership with other stakeholders such as the Private Sector Organization of Jamaica, University of Technology, Ministry of Science, Energy and Technology and the Jamaica Cyber Incident Response Team, we delivered presentations such as: The Roadmap



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\$392.2 M

Revenues of \$392.2 million, an increase of \$32.7 Million or 9.1 % over 2020.

to Digital Transformation; Digital Tools for Success: Work from Home, Work Anywhere; National Identification System: What's Next?; Cyber Security for SMB's; Securing the Digital Dollar. We also participated in the Ministry of Finance and the Public Service Wealth Summit and delivered a presentation on how to "Protect your Transactions Online".



TechCon by tTech

Our major marketing event , TechCon by tTech, was again hosted entirely virtual under the theme "Enabling a Digital Society: Resilience in the Face of Change". 50% of the content was focused on our growth areas of Data Protection and Cybersecurity while topics related to the Benefits of IT Outsourcing and Digital Transformation rounded out the agenda. We converted opportunities from this event in the second half of the year and some still remain in the active pipeline for 2022. Please follow us on our digital platforms including our website www.tTech.com.jm, Facebook, Twitter, Instagram and LinkedIn for continuous updates and valuable IT information.

How we provide value

I never let an opportunity pass to explain to all our stakeholders how tTech provides value to our customers and the events of 2020 & 2021 highlighted our mission. Information Technology is very complex and to deliver real value, we initially focused on outsourcing the management of our customers IT infrastructure because skills required to manage infrastructure do not contribute directly to growing a business. In this pandemic year, the reliance on reliable and highly available IT infrastructure is at an all-time high. We continue to see increased opportunity in this area as we spent more time educating the market on Cost vs Value in their IT systems. Another way to look at it is that tTech becomes your IT Department, so you don't need to hire a whole team. For organizations with existing IT resources, we become their remote support team for a fraction of the cost of doing it all yourself.

Growing Cybersecurity Portfolio

During the period, tTech made investments in training and tools to equip our team to be able to deliver more advanced cybersecurity solutions and services to our customers. Cybercrime is growing and getting much more sophisticated, hackers and bad actors can now easily bypass basic security

measures and not many businesses can afford scarce and expensive in-house cybersecurity experts. Our range of solutions has expanded to include artificial intelligence powered real-time detection and remediation of complex threats including ransomware with no need for human intervention. This is in addition to the implementation of a Next-Generation Security Information and Event Management (SIEM) to collect and centralize all security notifications.

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) continues to centre around providing support for the communities to which tTech and its team member are a part of. This year we partnered with Youth Education Association (YEA) to host a back to school donation drive at the Yallahs High School and provided some much needed supplies to students from the Yallahs community.

We made a charitable donation towards the Jamaica Legion National Poppy Appeal, which began its annual drive in October 2021. The Poppy Appeal was established to provide some much-needed support to military veterans in Jamaica and our donation was used towards the care of indigent military veterans at Curphey Home in Newport, Manchester. Further details are provided in the CSR section later in this Annual Report.

Outlook for 2022

tTech has a positive outlook for 2022 as negative effects of the pandemic appear to be declining. The 2022 strategy is underpinned by Our Team, Our Customers and Our Services. During 2021 we identified areas for improvement in each of these areas and we are implementing these plans. As some of our team members have moved on to continue their professional growth, we begin 2022 with a new Sales & Customer Experience Manager and a new Technical Services Manager on the leadership team.

tTech continues to differentiate itself from other IT companies in Jamaica with its renewed focus on the strategic

execution of its holistic Managed IT Services Provider business model. With the complete set of strategic tools, proven business processes necessary to align and synchronize all the components of our business to be able provide IT Peace of mind to our customers by delivering an insanely good customer experience and advanced cybersecurity solutions.

We will achieve our 2022 objectives with the relevant training for our team, continuously upgrading our technologies both of which lead to more efficient business processes ultimately contributing to an overall improved customer experience.

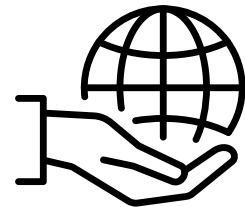
As more organizations realize the difficulty and increased risks associated with not having the required IT skills within their team, outsourcing will become the preferred option and tTech is poised and ready with years of focused IT services delivery experience.

In 2022 tTech will continue to be on the lookout for mutually beneficial partnerships, including acquisition opportunities, while continuing to execute on our strategic plans including the continuous exploration of growing revenues outside of Jamaica.

A very special thanks to all the tTech team members, our management and our Board of Directors for the hard work and dedication in 2021. We also say thanks to our customers for their loyalty and support during the period.



Gordon Christopher Reckord
Chief Executive Officer

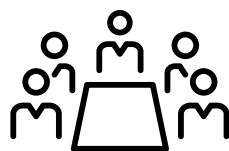


tTech continues to differentiate itself from other IT companies in Jamaica with its renewed focus on the strategic execution of its holistic Managed IT Services provider business model.

tTech Moments: Celebrating 10 Years



Directors' Report



The Directors of tTech are pleased to present their report for the year ended December 31, 2021.

The Directors who served on the Board of tTech during 2021 were:

- Edward Alexander – Executive Chairman
- U. Philip Alexander – Non-Executive
- Joan-Marie Powell – Independent, Non-Executive
- Tracy-Ann Spence – Independent, Non-Executive
- Justin Morin – Independent, Non-Executive
- G. Christopher Reckord – Executive, CEO
- Norman Chen – Executive, Director of Technical Services
- Hugh Allen – Executive, Assistant Technical Services Director

In November 2021 Justin Morin accepted a position with Ernst & Young (EY) and had to resign as a Director of tTech because EY are the Company's auditors and their independence policies do not allow anyone employed to EY to serve as a Director of their clients.

Justin provided unique insights while serving as a Director and he will be missed. Efforts are being made to replace him on the Board, but we thank him for his service and wish him every success in his future endeavours.

15th Anniversary

On December 1, 2021 tTech celebrated its 15th anniversary as a company. Unfortunately the restrictions of the Disaster Risk Management Act meant that we could not hold any physical events normally used to recognize such a significant milestone, but the anniversary is being acknowledged by giving back to causes that the Company supports.

Since inception tTech has grown from a company of 4 employees with 1 customer to a company with over 50 employees supporting over 70 customers. In these first 15 years the Company has been recognized as an innovator in the provision of Managed IT Services to Jamaican companies, including supporting their offices overseas. tTech was also the first Jamaican IT company to list on the Junior Market of the Jamaica Stock Exchange in January 2006 after a successful IPO.

Having achieved 15 years of steady growth, tTech is now adjusting its focus to growing higher value-added services that build on the core managed services that the Company provides.

Company Performance

In 2021 tTech recorded revenues of \$392.2 million and profits after tax of \$8.2 million. Steps required to improve the company's return on revenues have been determined by the management team and better performance is expected in 2023.

Dividends

During the year a dividend of \$0.053 per ordinary unit was declared and paid on June 15, 2021.

Effect of COVID-19

The tTech Board continued to meet virtually in 2021 using the Microsoft Teams platform. In addition the 2021 Annual General Meeting was held virtually for the first time as the amendment to the Company's Articles of Incorporation to allow virtual general meetings was approved at the 2020 AGM and tTech had joined with other companies listed on the Jamaica Stock Exchange in a successful application for a court order to allow the companies to hold virtual annual general meetings in 2021.

Subsequent to the holding of the tTech AGM in September, the Companies Act was amended by the Government of Jamaica to allow companies to hold virtual general meetings. This change in the Companies Act will allow companies more flexibility in the future for the holding of general meetings and allow broader participation.

Appointment of Auditors

The Notice of the Annual General Meeting in this Annual Report does not include a resolution for the appointment of auditors. This is because the board has decided to put the audit to tender but the process was not completed before this Annual Report was due. On completion of the tender process a new Notice will be published which will have the resolution to appoint the auditors for the company. While this is unusual it was agreed by the Company and our current auditors that this was the best course of action.

The Directors are grateful for the support that tTech has received since the company was formed in 2006. We also acknowledge and thank our team of professionals who have contributed significantly to enable the growth that has been achieved. We look forward to the next 15 years of continued growth and expansion for tTech.

Edward Alexander
Executive Chairman

THE BOARD OF DIRECTORS



Edward Alexander, B.Sc., M.Sc.

Founder and Executive Chairman

Mr. Alexander is the Company's founder and Executive Chairman.

After founding tTech in 2006, the company steadily developed under his leadership and in January 2016, tTech became the first Jamaican information technology company to be listed on the Junior Market of the Jamaica Stock Exchange.

His vision is to assist companies to improve the effectiveness of their investments in information technology by minimizing the cost of ownership of their infrastructure while maximizing the value from their business applications, ultimately leading to systems which contribute to increased competitiveness and profitability.

Mr. Alexander holds a Master of Science degree from the University of Pennsylvania and a Bachelor of Science degree from the University of Windsor.

In addition, he has completed professional courses at the Harvard Business School and the University of Florida.

He serves on the boards of CAC 2000 Ltd and his alma mater, Jamaica College.



G. Christopher Reckord, M.B.A.

Chief Executive Officer

Prior to joining tTech, Mr. Reckord was a founder and Executive Director of Innovative Corporate Solutions in Jamaica and held a number of management positions at Adjoined Consulting in Miami, Florida.

His formal education includes a diploma in Industrial Education (with a specialization in Electrical Technology) from the University of Technology, and a Master's in Business Administration (MBA) from Barry University.

He serves as a Commissioner for The Betting, Gaming & Lotteries Commission (BGLC) and a Director of the Jamaica Computer Society. He is also a member of the PSOJ and is currently the Chairman of its Innovation and Digital Transformation Committee.

For public service, Chris serves on several public sector boards and committees. Mr. Reckord is an Executive Director of the Company.



Norman Chen, B.Sc.

Sales Manager (Acting)

Mr. Chen is the Sales Manager (Acting) with the ability to apply his vast skill-sets to the singular goal of offering the most comprehensive solutions to clients who rely on the company's innovative services.

He is a highly qualified Information Technology specialist with several years of experience within the IT industry. His exemplary career began when he joined Commnett Caribbean Limited where he worked his way up to Chief Technical Officer over the course of nine years. From there he went on to head Fujitsu's IT Department and then to NC Associates as a Project Manager and IT Consultant.

He is also an accomplished academic who has a Bachelor of Science in Computer Science from the University of the West Indies, a Research Fellowship from Brown University, Rhode Island, USA and several certifications in Information Technology from recognized institutions.

Mr. Chen is an Executive Director of the Company.



Hugh Allen, B.Sc.

Assistant Technical Services Director

Mr. Allen is a founder of the Company and currently is the Company's Assistant Technical Services Director responsible for LAN Management, WAN Management, Telecoms Management, Server Management, Infrastructure Management and E-Mail Administration. After nineteen years of working with GraceKennedy Limited, fifteen of which were spent in different areas of information technology, Mr Allen is well-suited for this role. He holds a Bachelor of Science double major in the areas of Business Management and Computer Science and a Diploma in Computer Management and System Analysis and Design from the Royal British Computer Society. Mr Allen holds certifications from Microsoft, Cisco, and Asterisk PBX systems. Mr. Allen is an Executive Director of the Company.



U. Philip Alexander, B.Sc.

Non-Executive Director

Mr. Alexander brings a wealth of experience to the Board of Directors.

With a Bachelor of Science in Mechanical Engineering from North East London Polytechnic, he has honed and shaped his career with various academic endeavours including the Program for Management Development from Harvard University Business School, the MIT Executive Program in Corporate Strategy and Product Development and Manufacturing Strategy at Stanford University Business School.

He is currently retired from GraceKennedy Ltd after 32 years. While there he held the positions of Manufacturing Director, Group Quality Director and Group Risk Manager among others. He also served on the Main Board and a number of the subsidiary boards of the company and still serves as a Director for the GraceKennedy Foundation.

Mr. Alexander is the Chairman of the Corporate Governance Committee, a member of the Company's Remuneration Committee and an invitee to the Audit Committee.



Joan-Marie Powell, B.Sc., M.B.A.

Independent Non-Executive Director

Ms. Powell is the former Managing Director of GraceKennedy Money Services Limited (GKMS) until her retirement in December 2013. Ms. Powell's technical insight and operational expertise strengthened the company's culture of innovation which saw GKMS expanding into new markets and extending its service portfolio, reaching seven other markets in the Caribbean.

She holds a Bachelor of Science in Management Studies and a Masters in Business Administration, specializing in the management of technology, from the University of the West Indies. She serves as a member of the Board of Directors of the Immaculate Conception High School and the Grace and Staff Community Development Foundation. She is a Justice of the Peace for the Parish of Kingston and a member of the Kiwanis Club of New Kingston.

Ms. Powell is the Chairman of the Remuneration Committee and a member of the Company's Audit and Corporate Governance Committees.

THE BOARD OF DIRECTORS (CONT.)



Justin Morin, B.Sc., M.B.A.

Independent Non-Executive Director

Mr. Morin was appointed to the Board on May 25, 2020 and at the time was the Managing Director of Appliance Traders Limited, a position he held from October 2019 to October 2021. He is also the Chair of the Universal Services Fund, and a member of the National ICT Advisory Council.

He is an accomplished business executive with over 20 years' experience spanning Strategy, General Management, Digital Transformation, and Corporate Finance.

Prior to joining Appliance Traders Limited, Justin was Chief Executive Officer for Digicel Jamaica, having returned to Jamaica after a 10-year stint living in Barcelona, Singapore and Dubai. Justin has significant experience in Strategy and Consulting having been a Senior Advisor to C-level executives of several global companies such as Veon, MTN, Saudi Telecoms, Virgin Mobile, and GraceKennedy, giving him a unique blend and depth of experience across various industries and verticals, including Telecoms, Media, Manufacturing, Distribution, Retail, and Banking.

He earned his MBA in General Management at the prestigious IESE School of Business in Barcelona, Spain, and holds a Bachelors' degree in Industrial Engineering from the University of Florida.



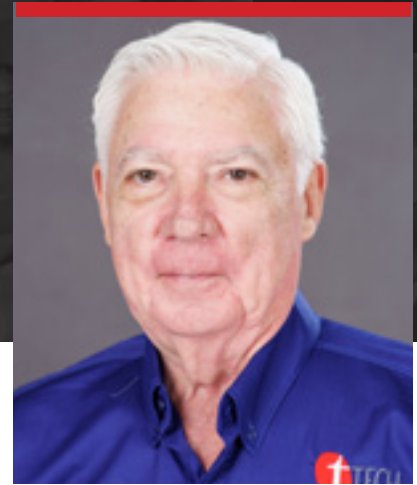
Tracy-Ann Spence, B.Sc., M.B.A., PMP

Independent Non-Executive Director

Ms. Spence was appointed to the Board on February 19th, 2019 and is the Chief Operating Officer at NCB Capital Markets Limited. She has been employed to the NCB Financial Group for over 18 years and counts a BSc in Applied Mathematics from York University in Toronto, an MBA in Banking and Finance (with distinction) from the University of the West Indies and Project Management Professional (PMP®) Certification from the Project Management Institute among her educational achievements.

She is an adjunct lecturer at the Mona School of Business, University of the West Indies, where she has lectured in Financial Management in the MBA and EMBA programmes. She has also taught at NCB's Corporate Learning Campus in the areas of Portfolio and Investment Management. Tracy-Ann currently sits on the boards of the Jamaica Association for the Deaf, tTech Limited, Mailpac Group Limited, NCB Foundation and SiFi Studios Limited.

Ms. Spence is the Chairman of the Audit Committee and a member of the Company's Remuneration and Corporate Governance Committees.



Richard Downer, CD, FCA.

Board Mentor

Mr. Downer has responsibility for advising on the implementation of adequate procedures, systems and controls for financial reporting, corporate governance, timely disclosure of information to the market, and general compliance.

He was educated at Eastbourne College, Sussex, England and McGill University in Montreal, Canada and qualified as a Chartered Accountant in Canada. Mr. Downer is a Fellow of the Institute of Chartered Accountants of Jamaica and a recipient of its Distinguished Member Award.

Mr. Downer is a former Senior Partner of PricewaterhouseCoopers in Jamaica. He currently serves as a Director on the Board of Sagicor Life Jamaica Limited and as Chairman of its Audit Committee and as a member of the Investment Committee.

Mr. Downer is also the Board Mentor and a Director of Dolphin Cove Limited and Chairman of its Audit Committee.

Leave IT to us

Outdated technology
leaves you vulnerable
to malicious attacks.

Access the latest
security solutions
with tTech's Managed
IT service.



For one fixed monthly cost, we'll provide IT management, monitoring, technical support and full problem resolution. **Call Us Today!**



Your IT partner for growth!

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MANAGEMENT TEAM



**Hortense Gregory-Nelson,
FCA, FCCA, CFP**

Finance & Administrative Manager

Hortense Gregory Nelson is the Finance & Administrative Manager of the company with over twenty years of experience within the field of accounting and auditing.

She has strategic oversight of the finance and administrative functions, which includes the preparation of quarterly and annual financial reports, the monitoring of investment activities, and the provision of strategic financial information to management.

Mrs. Gregory-Nelson is a Certified Chartered Accountant with ACCA UK accreditation and a Certified Financial Planner (CFP), accredited by the Chartered Banker Institute. She is also trained in forensic accounting, performance management & leadership, and project management.

She has served in the following industries of banking, government, non-profit and other business services. Hortense also has a passion for gardening.

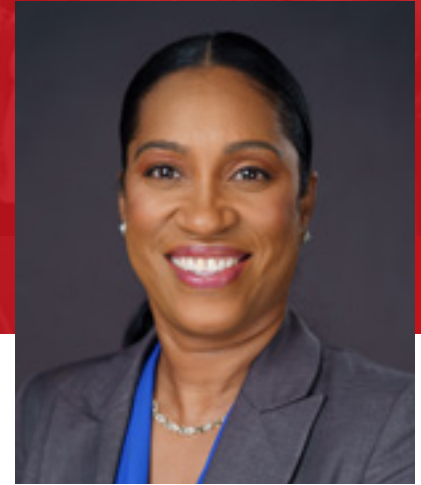


**Lesley Suzanne Cousins,
B.Sc., M.Sc.**

Consulting Services Manager

Mrs. Lesley Cousins is the Consulting Services Manager of the company. Her responsibilities include project portfolio management for Consulting Services and the other services that the company provides.

Her formal education includes a Bachelor of Science at the University of the West Indies, Mona in Environmental Science (Hons), and later pursued a Masters of Science in Management and Implementation of Development Projects (Hons) at the University of Manchester Institute of Science and Technology (UMIST), United Kingdom. She is a certified Microsoft Projects user.



Gillian Murray, B.B.A., M.B.A.

Marketing Manager

Gillian Murray is the Marketing Manager and Company Secretary. She is responsible for developing the marketing strategy for the company in line with company objectives.

Her formal education includes a Bachelor of Business Administration in Marketing & Finance from the University of Technology, and a Master's in Business Administration from the University of the West Indies, Mona School of Business and Management. She has also completed trainings in information technology courses, digital marketing and the Jamaica Stock Exchange Director's Strategic Guide to Corporate Governance Course.



Marsha Bucknor, BSc., M.B.A.

Sales and Customer Experience Manager

Marsha Bucknor is the Manager for Sales and Customer Experience. Her primary role is achieving company growth through hitting sales targets and successfully managing the sales team. She is also directly responsible for the touchpoints across the customer journey to ensure a positive and memorable experience for all customers. She brings over 13 years of experience to her role as Sales and Customer Experience Manager and holds a BSc. in General Management from The University of the West Indies and has a Master's degree in Marketing from The University of Technology.



Moneshe Hutchinson, BEd.

Human Resources Manager

Moneshe Hutchinson is the Human Resource Manager and is responsible for developing, implementing and leading the company's people management strategy.

Moneshe has a Bachelor of Education in Information Technology from The Mico University College and is currently pursuing a master's degree in Human Resource Management. Her diverse background in teacher training and IT Education gives her a unique perspective that has propelled her success as the company's human resources strategist responsible for employee recruitment, engagement, and retention.

What We Do

LINES OF BUSINESS

In addition to supporting the day to day management of the IT needs of our clients, tTech offers customized IT solutions. These solutions are implemented based on needs assessment to increase overall efficiencies and reduce costs and include, service desk, IT and network security, cloud computing, managed infrastructure and unified communications.

Service Desk

At tTech, our team of highly trained Service Desk professionals are dedicated to serving our clients by troubleshooting and solving their technology challenges. Our clients have the assurance that through a phone call or email, their service request will be addressed in a timely manner. The tTech Service Desk team is experienced in supporting end users' issues that relate to desktop and laptop computers, mobile devices, printers and other peripherals, networks and commonly used business applications such as Microsoft Office and email. Should complex issues arise they are quickly escalated so that the end user experiences minimal disruption.

Infrastructure Management

tTech offers a range of Infrastructure Management services that ensure the performance, reliability and availability of the IT infrastructure that supports our clients' business. tTech's infrastructure management service continuously collects performance data from all the devices being monitored. This real-time



2006

tTech is born!

Started operations on December 1, 2006

2007

Highlights

Employees: 5
Upgraded GraceKennedy's (GK) 2000+ users active directory system.

Implemented our first infrastructure monitoring and management solution WhatsUp Gold for our key customers.

monitoring allows for proactive alerts which inform support staff when problems occur on networks and servers, making sure that as a challenge arises it is immediately flagged and sends alerts to the relevant personnel who can respond to avoid costly downtime.

Unified Communications

The right communication tools are essential to the success of any business.

As a Unified Communications (UC) partner, tTech allows clients to implement seamless, real-time communication services including instant messaging, telephony, video conferencing and desktop sharing among others. We ensure the right tools to enhance businesses resulting in easy internal and external communications across multiple platforms and devices while minimizing costs and system interruptions. Currently our UC Solutions are built on tried and proven technologies including Sangoma PBX, Microsoft Teams, and Microsoft 365, formerly Office 365.

Cloud Migration Services

tTech recognized early that the growth in the adoption of Cloud Computing globally would eventually happen in Jamaica and the Caribbean. This led to us being early adopters and users of Cloud Solutions to run our own IT systems with solutions like Microsoft Office 365, cloud based servers and backup services. This experience has allowed tTech to develop the expertise to be able to help our clients to design, plan and manage the migration of their IT Infrastructure to Cloud Computing. Cloud Services offer our clients the advantage of reducing overall expenses associated with physical servers and storage systems, while maintaining user efficiency through easy access to files and software stored in the cloud. Our track record and understanding of network design, security and infrastructure monitoring also ensures that the access to and use of cloud services are reliable and secure.



Migrated GK's core IT Infrastructure to Cable & Wireless/LIME data centre.

2008

Highlights

Employees: 6
Implemented wireless network security and authentication using Active Directory for GK.



Started providing **Infrastructure Monitoring as a service** to customers.

IT Security

Security threats are real, and ever increasing in sophistication and frequency. A managed security service is essential to protect your enterprise from cyberattacks and the potential interruption of operations or compromise of data that could result. With our trained team of experts in IT Security, tTech implements state-of-the-art IT security systems to protect our clients' devices and data. With years of service to clients with sensitive security needs in financial services, tTech, in conjunction with our clients' existing IT teams or as a fully outsourced solutions provider, is equipped to ensure the highest level of security for their organizations. Security services provided by tTech to its clients include: network security assessments, vulnerability and penetration testing, implementation and management of intrusion detection systems, anti-malware systems, training in security awareness and firewall administration.



Consulting Services

Our expert IT consultants use proven methodologies to provide customised implementation services to deliver IT solutions that meet our clients' needs. International trends indicate a shortage of IT talent for organisations undergoing transition to more mature IT governance structures; this shortage is being felt in Jamaica. tTech's Consulting services are poised to meet this need by helping our clients address three key business needs: Disaster Recovery/ Business Continuity Planning, Virtual CIO Services, and Project and Portfolio Management.



Implemented GK Foods Division first fully redundant Virtual Cloud Datacenter using VMware.

Migrated the monitoring of GK's Sourcefire Intrusion Detection/Prevention Systems to a Symantec SOC in Virginia, USA.

2009

Highlights

Employees: 12

tTech designed and implemented the Voice and Data network for GK's newly constructed Distribution Center, complete with a Wifi enable systems for warehouse management.



CORPORATE DATA

Registered and Head Office

tTech Limited

69 ½ Harbour Street,
Kingston, Jamaica
Telephone: (876) 656-8448
Facsimile: (876) 922-0569
Email: info@ttech.com.jm
Website: www.ttech.com.jm

Auditors

Ernst & Young

Chartered Accountants
8 Olivier Road,
Kingston 8, Jamaica W.I.
Telephone: (876) 969-9000/
925-2501
Facsimile: (876) 755-0413
Website: www.ey.com

Bankers

Bank of Nova Scotia Jamaica Limited

Scotiabank Centre
Corner of Duke and
Port Royal Streets
Kingston, Jamaica

First Global Bank Limited

Corner of Duke
and Harbour Streets
2 Duke Street
Kingston, Jamaica

SHAREHOLDERS' INTERESTS

Top Ten Shareholders *As at December 31, 2021*

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Auctus Holdings Inc.	17,720,550
Enqueue Inc.	13,299,516
Hugh O'Brian Allen	8,367,479
Mayberry West Indies Limited	5,740,129
GraceKennedy (2009) Pension Plan	1,604,893
Marcelle Smart	1,002,009
Douglas Orane	881,448
Ravers Limited	806,448
Ja. Credit Union Pension Fund	806,448

Shareholdings of Directors & Connected Parties

As at December 31, 2021

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	17,720,550
Norman Abraham Chen (Enqueue Inc.)	13,299,516
Hugh O'Brian Allen	8,367,479
Uriah Philip Alexander	267,965
Joan-Marie Powell	32,000
Tracy-Ann Spence	nil
Justin Morin	nil

Shareholdings of Senior Managers & Connected Parties

As at December 31, 2021

Edward Charles Alexander/Charmaine Dawn Alexander	41,712,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	17,720,550
Norman Abraham Chen (Enqueue Inc.)	13,299,516
Hugh O'Brian Allen	8,367,479
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
Gillian Juvan Thorpe Murray	240,909
Lesley Cousins	50,000
Moneshe Hutchinson	nil
Marsha Bucknor	nil



tTech expanded
it's service offering
to now include
a **Service Desk**
department.



**First Security
Incident Response
service** provided
to a provider of an
online cell phone
top up service.



**First international
assignment**
involved the setup
of a new network
infrastructure for
GK Ontario.



tTech will help you **stay connected** with your customers, providing customized PBX systems designed to meet your business' every communication need.

For one fixed monthly cost, we'll provide IT management, monitoring, technical support and full problem resolution. **Call Us Today!**



Your IT partner for growth!

Call: (876) 656-9599 or 656-8468 • **Email:** sales@ttech.com.jm • **www.ttech.com.jm**

The Way We Do IT

CORPORATE GOVERNANCE

tTech Limited is committed to providing value to our shareholders, and are governed by a Board of Directors with extensive knowledge and experience in their respective fields.

The company is grounded in the belief that accountability to its stakeholders is a business imperative, and good governance practices that positively impact the company's performance and long-term viability are essential.

These practices guide our transparency and integrity practices that are applicable throughout the company.

This Corporate Governance Statement outlines the key elements of the company's corporate governance framework as of December 31st, 2021.

Structure of the Board and its Committees

Board Structure

The Board of Directors is committed to ensuring the effective governance of the company. As the body responsible for this, the board establishes broad policies and strategic objectives and ensures that sufficient resources are available to enable the company to meet these objectives. The Board Charter is available on the company's website www.ttech.com/jm.

The board is chaired by Executive Director, Edward Alexander with Christopher Reckord as the CEO, and Gillian Murray as the Company Secretary.

The Board comprises four Non-Executive Directors and four Executive Directors in addition to Mr. Richard Downer, Board Mentor.

Independent Non-Executive Director Statement

The board identifies in its Annual Report each Non-Executive director it considers to be independent taking into account various factors including whether a director has been an employee of the company within five years; or, has had a direct or indirect material business relationship with the company or its officers; or has received remuneration, apart from a director's fee, from the company, or, its employees; or

has close family ties with the company's advisers, directors or senior employees; or holds cross directorships or has links with other directors through involvement with other companies or bodies; or represents a significant shareholder; or has served on the board for more than nine years. Any exceptions would have to be justified by the board.

Based on these principles the Board has appointed the following Independent Non-Executive Directors:-

- Joan-Marie Powell
- Tracy-Ann Spence
- Justin Morin

Mr. Justin Morin resigned as a director effective November 5, 2021. His replacement is being sought with the support of the Corporate Governance Committee.

Induction of New Directors

New directors are formally inducted into the company which enables them to transition into Board meetings effortlessly. The induction covers the company's vision, strategy, financial position, regulatory requirements and risks. The Board Chairman meets with the new Directors to inform them of the structure, rights, duties, responsibilities and roles of the Board and a Director. Additionally, they meet with the Chairs of the Board Committees and the management team for an orientation and are given a tour of the Company's office (if possible).

Board Meetings

The Board and Board Committees meet quarterly to discuss and review the performance of the company to ensure that the strategy and key objectives are being satisfactorily pursued by the management team. Other Board meetings are held in the year to review the company's long-term strategy along with the budget and operating plans for the upcoming year. The board takes into account the economic, social and regulatory environment and the risks that may exist in the markets in which the company operates.

The board also retains the right to call additional meetings if it deems them necessary.



Deployed our **first Asterisk VOIP PBX** to integrate voice services between Harbour Street and the GK USA Florida office.

2010

Highlights

Employees: 12

Implemented our first commercial Asterisk VOIP PBX at the GraceKennedy Distribution Centre. This started our push into the unified communication space and we now have VOIP solutions deployed in over 20 companies.

tTech Limited Board of Directors' Meeting Attendance

January - December 2021

Number of Boards & Committee Meetings	5	5	4	4	1
Names	Board	Audit	Remuneration	Corporate Governance	Annual General Meeting
Board of Directors					
Edward Alexander, Chairman	5	5	4	4	1
U. Philip Alexander	5	5	4	4	1
G. Christopher Reckord	5	5	4	4	1
Hugh Allen	5	n/a	2	n/a	1
Joan-Marie Powell	5	4	4	4	1
Norman Chen	5	5	4	4	1
Tracy Ann Spence	5	5	4	4	1
Justin Morin *	4	3	2	4	1
Richard Downer (Mentor)	5	5	1	4	1

The following board changes occurred during 2021:

* Mr Justin Morin resigned as a Director effective November 5, 2021

Board Committees

The Board has established an Audit Committee, a Remuneration Committee and a Corporate Governance Committee. Each committee has its own written charter which can be viewed on the company's website www.ttech.com.jm. These committees are chaired by Non-Executive Directors and made up primarily of the Non-Executive Members of the Board and have the right to co-opt members of the executive management team as is deemed necessary.

Audit Committee

The Audit Committee was formed in 2015 and its main functions are oversight of:

1. Financial reporting and compliance with legal and regulatory requirements.
2. Internal controls.

3. Internal and external audits.

4. Budgeting and forecasting.

During the year the committee focused on:

1. Assisting the management team with navigating the challenges associated with Covid-19, such as Work from Home, curfews etc.
2. Oversight of the annual audit.
3. Understanding and getting explanations of the financial results and what it means operationally.
4. Improving the resourcing and operations of the team to ensure that the financial reports were completed and checked in a timely manner.
5. Ensuring that all external reporting requirements were completed and filed on time.
6. Identified any additional monthly financial reports that



Implemented our **first High Availability Xorcom VOIP PBX solution** with an initial 20 seat call centre for Cari-Med.

2011

Highlights

Employees: 11

tTech upgraded GK's phone systems from legacy analogue system to Asterisk open source based VOIP PBX.

Implemented our second high availability Xorcom PBX for Hardware & Lumber.

are required from time to time and determine which formats are best suited for the company.

In 2022 the main focus will be on:

1. Moving to shorter cut-off times for monthly, quarterly and annual reporting, based on the best practice benchmarks for companies of our size and to meet all statutory requirements.
2. Working with operations to automate accounting processes as best as possible in an effort to improve efficiency.
3. Continuous training and support for the accounting team.
4. Working with our external auditors to have the final draft of the audited financial report at least 10 working days before the Jamaica Stock Exchange (JSE) deadline.
5. Improving the financial analysis and commentary in the financial reports to support strategy development and execution.

The Chairman of the Audit Committee is Ms. Tracy-Ann Spence and comprises other Independent Non-Executive Directors. The Executive Chairman, Corporate Governance Committee Chairman, CEO, Finance and Administration Manager, Sales Manager (Acting) and Board Mentor are invitees to this committee.

External Auditor

Ernst and Young is the Company's external auditor. The Chairman of the Audit Committee invited the auditors to a meeting of the Committee to present the Company's audit findings and discuss the draft audited financial statements. The external auditors also attended the Annual General Meeting to make a presentation on the audited financial statements to shareholders and were available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Remuneration Committee

The Remuneration Committee was formed in 2016 and its main functions are:

1. Oversight of the company's compensation and benefits policies.
2. Oversee and set compensation for the company's Executive Officers, including its Executive Chairman, CEO and Non-Executive Directors.
3. Development of an incentive scheme for the senior executives.
4. Oversee the establishment of appropriate human resource strategies and policies.

During the year the committee focused on:

1. Employee Remote Work operational plans and strategies to facilitate high team engagement, safety and welfare of the team
2. Developing an Incentive Scheme for the Executive Officers.
 - Scheme was developed showing an alignment with approved performance targets.
3. Setting of Executive Salaries.
 - The executive salaries were set and approved by the board.
4. Advising on HR policies and procedures.
5. Employee retention, training and development
6. Safety and welfare of the team by implementing COVID 19 containment measures

In 2022 the main focus will be on:

1. Development and implementation of policies including Health & Safety, Corporate Social Responsibility, Environmental and Social Media.
2. Continuous monitoring of the Occupational Health and Safety Act and the developments thereof.
3. Employee retention which is an operational risks for companies operating in the technology industry will be a major focus. Measures will continue to optimize

2012

Highlights

Employees: 12
Performed our first Upgrade of GK's core network.

Successfully rolled out Google Apps Office suite and email platform for three companies, tTech Limited, Gateway Shipping and CaribStar.

2013

Highlights

Employees: 15
Chris Reckord and Norman Chen joined the company as Directors.

our benefits to include employee recognition, compensation, professional training and development to help mitigate the risk.

4. Continue the process of executing on the succession plans developed for all key positions.
5. Development plans highlighted at the performance appraisals will be executed.

The Chairman of the Remuneration Committee is Ms. Joan- Marie Powell and comprises the other Non-Executive Directors. The Board Chairman, Executive Directors, Corporate Secretary, Technical Services Manager, Human Resources Manager and Board Mentor are invitees to this committee.

Corporate Governance Committee

The Corporate Governance Committee was formed in 2017 and its main functions are:

1. Creation and review of governance policies.
2. Selection and recruitment of board members.
3. Board training and education.
4. Board performance and evaluation.

During the year the committee focused on:

1. Ensuring that the appropriate policies, procedures, and guidelines for the staff and/or customers were in place to manage the COVID-19 virus.
2. Review and support of the Whistleblowers Policy which can be found on the Company's website www.ttech.com.jm.
3. Review of the company's Jamaica Stock Exchange/PSOJ Corporate Governance profile.
4. Training on the new Data Protection Act for the board and senior managers.
5. Ensuring that the Code of Conduct and Conflict of Interest Certification for the Directors and Senior Management was done and reviewed.
6. Ensuring that the annual Board Performance and Evaluation was carried out.

In 2022 the main focus will be on:

1. Continuing Training and Education programs for the Board and Senior Managers.
2. Oversight of the company's Data Protection Compliance Program
3. Ensure that a robust and effective Enterprise Risk Management program is developed and implemented by the management team.
4. Assisting with the Board Succession Planning and identification of possible candidates for appointment to the Board.
5. Oversight of the COVID-19 and infectious diseases policy
6. Board Performance and Evaluation
7. Overseeing the Whistleblower Policy
8. Improving the Corporate Governance profile
9. Development of Policies to enhance the Governance of the company

The Chairman of the Corporate Governance Committee is Mr. U. Philip Alexander and comprises the other Non-Executive Directors. The Board Chairman, CEO, Corporate Secretary and Board Mentor are invitees to this committee.

Responsibilities of the Board

The company has attracted a strong and experienced Board of Directors who review and approve key policies and make decisions in relation to:

- Corporate Governance
- Internal Controls
- Fiduciary Oversight
- Compliance with laws and regulations
- Strategy direction and operating plans
- Business development including major investments and divestitures
- Appointment or removal of Directors
- Remuneration of Directors
- Risk Management
- Financial reporting and Audit
- Financing

The tTech Sales & Marketing Department created.



Implemented Microsoft Exchange for GK and migrated all the users in North America and the Caribbean.



Conducted our first penetration tests and vulnerability assessments for customers.

- Corporate Social Responsibility
- Ethics
- Environment
- Succession planning for the Directors and Senior Executives.

Responsibilities of the Chairman, Company Secretary and Directors

The Chairman's primary responsibilities are the effective operation of the Board and the dissemination of sufficient information to support decisions. He is also responsible for ensuring that new Directors are inducted into tTech and receive the necessary orientation.

The Company Secretary is responsible for ensuring that the Board's procedures are effectively followed and supports the decision-making process and governance. All Directors have

access to the Company Secretary for advice and services. All Directors are expected to allot sufficient time to prepare for and attend meetings of the Board and its Committees. Regular attendance at Board and Committee meetings is required; in the absence of an agreement a Director should not miss two consecutive regular Board meetings. The leadership of the Company is accessible to the Directors via the Executive Chairman.

Performance Evaluation of the Board, Committees & Individual Directors

A system for the evaluation of the Board and Director's performance is in place. It evaluates the performance of the Board by the Directors as a whole, a Peer Review by the Directors of the other Directors, and a Self-Assessment by the Directors of their own performance. It is done annually, and a corrective action plan is developed for any areas of concern that are identified.

Directors Skills and Competencies

The Board has a strong mix of expertise, experience and leadership which aids good corporate governance and business practices.

AREAS OF EXPERTISE

	Industry	Strategy & Leadership	Finance & Audit	Governance	Risk Mgmt	HR Mgmt	Acquisitions & Divestitures
Board of Directors							
Edward Alexander, Chairman	✓	✓	✓	✓	✓	✓	✓
U. Philip Alexander		✓	✓	✓	✓	✓	✓
G. Christopher Reckord	✓	✓		✓		✓	
Hugh Allen	✓			✓		✓	
Joan-Marie Powell		✓	✓	✓	✓	✓	✓
Norman Chen	✓			✓		✓	
Tracy-Ann Spence		✓	✓	✓	✓	✓	✓
Justin Morin	✓	✓	✓		✓		✓
Richard Downer (Mentor)		✓	✓	✓	✓	✓	✓

2014

Highlights

Employees: 20+

We successfully moved into our new home at 69 1/2 Harbour Street. This was our third move as we kept growing out of the accommodations.

Redesign of Logo.



OLD



NEW

Board & Executive Compensation

The Non-Executive Directors compensation reflects their contribution, commitment and time taken to improve the Board's performance. It is also built on the premise of attracting and retaining Directors of high standards. This compensation is subject to annual reviews based on comparable conditions and evaluation of the effectiveness of the Board and its committees.

Non-Executive Directors Fees

	Annual Fee (JMD)	Attending Committee Meetings (JMD)
Non-Executive Directors	\$250,000	\$15,000 per meeting
Board Chairman	\$100,000	
Committee Chairman	\$50,000	

Non-Executive Directors fees are paid quarterly. Executive Directors are not paid fees.

Director's Training and Education

The Board has placed emphasis on Director's training and education and recognizes the importance of continuing this path.

- All Directors and Senior Managers participated in an Environmental, Social and Governance training.
- Some of our Directors have participated in The Jamaica Stock Exchange (JSE) Corporate Governance Index training

All of our directors have completed the JSE/Private Sector Organization of Jamaica Directors Strategic Guide to Corporate Governance.



2018 - Edward Alexander



2018 - Norman Chen



2018 - Tracy-Ann Spence



2019 - Joan Marie Powell



2020 - G. Christopher Reckord



2020 - Hugh Allen



2021 - Justin Morin

Succession Planning

An integral responsibility of the Board is succession planning for all Senior Executives and the Directors. This is done by identifying potential successors for each senior post and providing the necessary exposure for them to function in the business in case of an emergency.



Implemented our Internship programme.



Transitioned tTech's email platform, office suite and unified communication platform from Google Apps to Office 365. This saw the **birth of our successful cloud partnership** with Microsoft.

Successfully integrated the voice and data services for GraceKennedy USA office with GraceKennedy Jamaica. This saw us providing support to GraceKennedy USA.

Code of Conduct

All Directors and Senior Managers complete annually an adherence to the Company's Code of Conduct policy certificate. Employees are also mandated to adhere to the Company's Code of Conduct policy and act ethically at all times.

Disclosure and Transparency

All Directors and Senior Managers are required to complete annually, a Disclosure of Interest Certificate which is reviewed by the Chairman.

The following policies can be found on our website www.ttech.com.jm.

- Code of Conduct policy
- Whistle Blower policy
- Dividend policy

Meetings

Schedule of meetings

During each financial year, there are a minimum of 4 regular Board and Committee meetings. These meetings are scheduled on a quarterly basis. Two other Board meetings are scheduled each year to focus on the company's long term strategy, operating plans and annual budget. Special Board or Committee meetings may also occur at times as required.

Agenda Items for Board Meetings

The Chairman, CEO and Company Secretary establish the agenda for each Board meeting. Each Board member has the option to suggest items for inclusion on the agenda. Information is distributed electronically and or in writing to the Directors before the Board meetings.

Invited Attendees

Additionally, the Board invites Senior Managers to join Board and Committee meetings who:

- make presentations to the Board and Committees on their areas of responsibility.
- can provide additional insight into items being discussed due to direct involvement, or

- are managers that display attributes that the Executives believe should be given exposure to the Board as a part of their development.

Annual General Meeting (AGM)

The AGM provides the avenue for shareholders to hold the company accountable, provides transparency through the presentation of the company's audited accounts and gives the shareholders a voice to ask questions and raise concerns. The AGM is also the forum for decisions; to finalize dividends paid within a year, appoint auditors and fix their remuneration and the re-election of Members of the Board. To view our AGM's in video format go to our YouTube page - **tTech Limited**, or our website www.ttech.com.jm.

Shareholders Communication

Information about tTech is published on the Company and the Jamaica Stock Exchange websites. This includes the Annual Audited Financial Statements, the Quarterly Unaudited Financial Statements, the Annual Report and any changes in the Board or the Senior Management. Where required, notices are also published in the print media. The Annual Report is also available in hard copy at each Annual General Meeting in addition to being distributed to all shareholders in electronic format by the Jamaica Central Securities Depository.

Additionally, minutes of the Annual General Meetings held are available for download on the company's website www.ttech.com.jm.

Avenues for Shareholders Communication

We encourage each shareholder to share concerns and suggestions as we value your feedback and support. Communication can be done by email to the Company Secretary at company.secretary@ttech.com.jm or by writing directly to the Executive Chairman, Edward Alexander, at tTech Limited, 69 ½ Harbour Street, Kingston.



Marcelle Smart joined to start **tTech Consulting**. First customers were Bert's Auto Parts and Island Grill.

2015

Highlights

Employees: 25
Increased our customer base by over 38%



New services introduced:

- Consulting Services
- Microsoft Cloud Migration
- Cloud backup service

tTech's Disaster Recovery and Business Continuity Planning suite of services has you covered. Our streamlined processes make BCP development manageable and repeatable.

Leave
IT to
us



- We will help you:** Develop a governance framework
- Provide technical writing services to document plan
 - Plan and execute tests
 - Build awareness and accountability within your executive team.

For one fixed monthly cost, we'll provide IT management, monitoring, technical support and full problem resolution. **Call Us Today!**



Your IT partner for growth!

Call: (876) 656-9599 or 656-8468 • **E:** sales@ttech.com.jm • **www.ttech.com.jm**

How We Did IT

MANAGEMENT DISCUSSION & ANALYSIS

To maintain the high level of service that differentiates tTech from our competitors, we continually invest in training and tools to increase efficiency and service levels in our operations.



Celebrating 15 Years

37

Financial Performance

tTech had mixed results in 2021. The Company recorded revenues of J\$392.2 Million, an increase of 9.1% over 2020; while recognizing profits after tax of \$8.2 Million, a decrease of 63% below the prior year.

In 2021, the Company realized growth in the provision of Managed Services. For the year, the Cost of Sales was 34.7% of revenue versus 31.7% in 2020. This increase over the prior year was led by the increase in providing equipment to support our customers' networks and system upgrades at lower margins than our services, along with further investments in applications to support the Company's service delivery.

Administrative and Other Operating expenses

Administrative and Other Operating expenses as a percentage of sales increased to 67.5% in 2021 versus 65.9% in

2020 increasing by \$27.9 Million or 11.8%. Our primary spend was in advertising to maintain brand awareness and to offer relevant information to the market. Insurance costs increased per market price changes and increased head count. The spend in staff costs and training increased but was in keeping with our mandate of continuous learning for our staff to meet the demand for the Company's services. Improved efficiencies are anticipated to contain the pace of increase in expenses in the future.

tTech operates in an industry of low fixed assets as most of the Company's costs for service and support tools are operating expenses and not capital in nature. To maintain the high level of service that differentiates the Company from our competitors, we continually invest in training and tools to increase efficiency and service levels in our operations. This will increase customer satisfaction and ultimately shareholder value over time. Our staff are encouraged to achieve and maintain industry

tTech Limited - 2022 Annual Report



Conducted our first IT Security seminar in partnership with The PSQJ

Nominated by the Jamaica Chamber of Commerce for "Best of Chamber"



Successful IPO in December 2015, which was oversubscribed by over 400%

All employees became shareholders.



Our staff are encouraged to achieve and maintain industry qualifications to remain current and meet the anticipated needs of the business and to manage our portfolio of services.

Staff Christmas Luncheon at Miss T's at Murphy Hill, December 2019.

spend was \$4.08 million more than prior year or 43.3% and was carried out to provide information on industry hot topics, enhance market awareness of our products and services, as well as to provide a think tank for the IT space in Jamaica.

Liquidity & Asset Position

tTech experienced marginal growth in its Total Net Asset value of \$2.6 Million, an increase of 1.1% over prior year. This was driven by a mix of growth in our net current assets of \$28.9 Million and decrease in our net non-current assets of \$26.35 Million. This is represented by increases in our cash and bank balances and investments, other receivables, property and equipment and balanced by decreases in government securities, accounts receivables, inventories, accounts payables, and contract liabilities.

The Company's profits fell by 63.4% unappropriated profit increased to \$190.1 million at year end resulting in a Shareholder's equity of \$241.8 million compared to \$239.2 in 2020.

qualifications to remain current and meet the anticipated needs of the business. This is achieved by a mix of attendance at seminars, conferences and online training. The event of Covid-19 resulted in a lower spend of 17.7% in training and subscriptions amounting to 2.24 million, resulting from more online events. The Company, as part of its marketing program, held its fourth Tech Conference (TechCon) online to meet all COVID-19 protocols. We pivoted to a two day event with a day of speakers, followed by a series of workshops on current and relevant topics in the marketplace. We continued to partner with other entities throughout the year in conducting seminars and information sessions. The advertising and marketing

2016

Highlights

Employees: 36

First Jamaican Information Technology company to list on the Junior Market of the Jamaica Stock Exchange on January 7, 2016



Established partnership with InfoTech - the fastest growing IT research organization



Financial Review

J\$ '000	2016	2017	2018	2019	2020	2021
INCOME STATEMENT						
Revenue	223,164	217,247	283,923	340,365	359,481	392,160
Other Income, gains and losses	10,165	-2,631	2,734	6,294	14,399	17,170
Finance Income		2,192	2,013	1,554	1,726	1,938
Finance Cost				-2,471	-2,393	-2,286
Operating Expense (excl. Investment Financing Cost)	-195,108	-198,159	-261,133	-320,984	-350,732	-400,806
Normalized Net profit before Tax	38,221	18,649	27,537	24,758	22,481	8,176
Net Profit before Tax	38,221	18,649	27,537	24,758	22,481	8,176
Taxation	1,120	-	-	-	-	45
Net Profit being Total Comprehensive Income	39,341	18,649	27,537	24,758	22,481	8,221
BALANCE SHEET						
Non-Current Assets	15,642	38,152	38,429	72,420	75,020	46,712
Current Assets	180,406	170,615	211,829	220,317	242,226	267,184
Total Assets	196,048	208,767	250,258	292,737	317,246	313,896
Current Liabilities	32,079	30,389	51,383	46,558	50,122	46,129
Non-Current Liabilities	-	-	-	29,436	27,900	25,940
Total Liabilities	32,079	30,389	51,383	75,994	78,022	72,069
Net Assets	163,969	178,378	198,875	216,743	239,224	241,827
OTHER INFORMATION						
Fixed Assets	13,615	12,151	10,333	13,102	12,898	12,947
Working capital	148,327	140,226	160,446	173,759	192,104	221,055
Accounts Receivables	47,151	29,801	51,389	43,136	71,789	68,433
Operating expenses (less Technical Fees & Investing Finance Cost)	161,486	170,078	198,048	225,813	236,739	264,656
Technical Fees/Cost of Sales	33,622	28,081	63,085	95,171	113,993	136,150

Rolled out new RMM tools. These tools will help us to manage our rapid growth and continue to provide that insanely good customer experience.

2017



tTech Limited ranked among the world's most progressive 501 Managed Service Providers (MSPs)

tTech was ranked as one of the 20 Most Promising Enterprise Security Solution Providers 2017

tTech Moments: TechCon by tTech



2018

tTech hosted its own technology conference dubbed 'TechCon by tTech'



2019

tTech Ranked Among World's Most Elites in MSP 501.

tTech was ranked among the world's top elites in IT at the prestigious 12th Annual staging of the Channel Future Managed Service Provider (MSP) 501 rankings.

Risk Management

The company employs both internal and external risk management practices. Effective management of these risks is necessary as stronger risk governance supports stronger corporate governance and the continued success of the company. While the company's Board of Directors has the overall responsibility for ensuring that a robust risk management framework exists, this responsibility is also shared by the management team.

tTech has a strong Corporate Governance structure which supports tTech's risk management practices, which are designed to mitigate the possibility of loss from the different types of risk exposures. The company has the appropriate insurance coverage in place to mitigate the risk of loss from disruption to business activities as a result of natural disasters, accidents, or equipment/system failures. Annual reviews are carried out by members of the management team, to assess the adequacy of coverage and adjustments are made, where necessary to ensure any exposure is kept at an acceptable level.

Market Risk

These risks mainly arise from changes in foreign currency exchange rates, interest rates, political risk and economic risk. To mitigate these risks, the Finance team ensures that there is a diversified mix of assets in the portfolio, with at least 60% of the portfolio held in foreign currency. Where possible, the team will also endeavour to maintain a mix of variable and fixed-rate interest-bearing instruments. The company's revenues were impacted in 2021 by the fluctuations in the JA\$:US\$ foreign exchange rates which also affected input costs along with supply chain challenges. The impact of foreign exchange rates is closely monitored to determine and manage the business risk and impact.

Credit risk

The Finance team reviews information on companies and governments before deciding to invest in their debt securities and will choose sound financial institutions through which to make these investments, to reduce the exposure to credit risk. Our credit risk also covers our customer sales process to assist in managing and maintaining our accounts receivable portfolio.

Liquidity risk

Through a system of regular cash forecasting, the finance team is kept aware of financial obligations and maintains the maturity profile of investments to ensure adequate liquid assets are available, as required for operational efficiency.

Operational risk

Operational risk is internal and exists in the way the company carries out its decisions. One of the ways we mitigate operational risk is via our strong corporate governance structure. The management team also reviews other risk areas such as staff retention, technology, sales, supply chain, competition and product development. We manage these risks with the use of control systems for people failure and also process failure, such as standard operating procedures which staff follow; the use of insurance to protect the business; while for others we have planning for contingencies to reduce downtime, damage to our reputation and loss of revenue.

Outlook

The Board and Management are confident about the future of tTech. In 2022 the Company will continue to benefit from the investment in our people and the increased use of remote monitoring and management systems. We expect growth in revenues resulting from increased uptake in our Consulting and Security Services along with continued growth in our Managed Infrastructure Services. We continue to explore opportunities for new partnerships in 2022 while seeking revenues from markets outside of Jamaica. We have a laser focus on managing our operational expenses to optimize same, while maintaining our service levels. The net effect of these will result in increased profitability for the company and its stakeholders.



The Human Resource Management Association of Jamaica HR Innovation Award.

JSE Best practices for Best Annual Report for Junior Market of the Jamaica Stock Exchange.

2020

JSE Best practices for Best Website for Junior Market of the Jamaica Stock Exchange.



"The culture was always that of a small close-knit family which strived to deliver world class customer service while continuously improving our technical skills and offerings. tTech has the interest of the employees at heart, Congratulations on your 15th Anniversary!"

– Gregory Salmon

HUMAN RESOURCES REPORT

Working Together; Growing Together

Our people are our greatest asset as such we firmly believe that an engaged workforce is the foundation on which everything is built. We started with a team of 4 and now we are at 53 strong! Fifteen years of tremendous growth and one we are very proud of. As we look back, we ask ourselves how did we make it here?

Fundamentally, we remained focused on our team, and we held at our foundation the culture of family, teamwork, fairness, and a fun & friendly environment. Our family culture embodies our core values:

- o We care about people
- o We do what it takes
- o We are open and honest
- o We have each other's back
- o We are continuously improving

These are the central, underlying philosophies that guide our business and employees and influences the way we interact with partners, clients, and shareholders. We believe that a shared commitment to these core values provides a solid foundation for both personal and professional growth and when aligned with our culture creates a shared, enduring, and positive environment for all. These principles have defined the expectations we have for one each other and are critical to

our individual, team and company growth. The growth of the company and the growth of each team member is inextricably linked and have been mutually beneficial.

Working Together.

When you join tTech, you join a family. Our family culture is reflected in the way employees feel truly cared for. The leadership of the company has an open-door policy, and this can be validated by the open door build out at our offices, we have no doors! We embrace teamwork, respect and empathy and transparency as some of our foundational behaviours. Many have!

This has been the basis for our growth and successes and continues to be key in achieving our goals and meeting the needs of our customers. Our accomplishment is dependent upon the collective energy, intelligence, and contributions of all of our Team Members rowing in one direction towards our mission and vision a central focus.

Growing Together

We are committed to investing in personal growth of our employees through technical & professional training, leadership development and access to health and wellness services. In addition, our employees are consistently encouraged to stretch their abilities and take every opportunity to grow professionally, financially and realize their maximum potential.

This year was not short of mountains and valleys highs & lows, however having the right mindset, the determination and resilience we made it through.

Resilience Through COVID-19

Despite the rage and roars of the COVID-19 pandemic we remained resilient and stood to the test, we are still here, standing tall like true warriors.

We've come through a year that was filled with both challenges and victories. This past year, we have enjoyed many successes, but we have also had losses, as some customers and team members moved on, we also welcomed 14 new stars to our family this year which speaks to our continued growth and reputation for being the technology organization of choice for talents.

Our way of working transitioned into a hybrid workforce which became seamless operationally a year and more into the pandemic. We remained resolute in providing a team centric and supportive work environment throughout. Team engagement, reward and recognition, health and wellness, utilizing innovative tools and delivering on our strategy of service excellence remained a continuous focus throughout the year.

As social beings, not being together presented some challenges of loneliness, anxiety and mental health struggles. We supported our team throughout these challenges by providing professional counselling and mental health support along with team building activities and continuous mandatory check-ins.

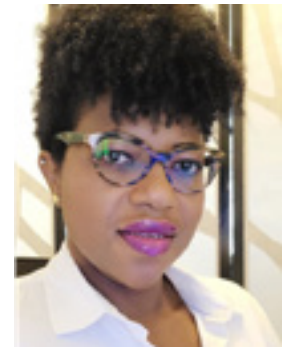
Orientation and Onboarding

With changes in how we now operate, mostly remote based, recruitment and onboarding remained integral and the feedback from new hires continued to be positive and fulfilling.

At tTech we boast a one-of-a-kind onboarding program with first-class employee experience, even as our onboarding and orientation programme pivoted to a hybrid model we continue to receive positive feedback from new team members who have gone through the process.

What makes us different

Differently, that is how we strategize about team building and providing a positive and supportive work environment that caters to the holistic well-being of our team. Flexible working hours, remote work opportunities, reimbursement for internet access at home, personal & birthday days off, and paternity leave are just some of the ways we ensure our team can function, while taking care of the things that matter when life happens.



I am humbled to be given this opportunity to congratulate tTech Ltd on this significant milestone. In 2011 when I joined, tTech was a mere toddler and has now matured into a teenager - WOW, what an achievement! This little but "tallawah" company will always have an irreplaceable place in my heart and has left a noteworthy impact on my career journey. Transitioning from internal IT to working for an MSP was a challenging decision, however the tTech experience made it worthwhile. Teddy's constant reminder to deliver "World class IT Service" is forever etched in my mind and to date I've used this as one of my guiding principles. My tTech experience is definitely one for the history books.... Happy 15th Birthday tTech Ltd! I am elated to see you continue to achieve great things.

– Natalya Petrekin



My tTech story is based on how I eventually joined the company after being associated with Teddy and his vision over a 9-year period. First point of association was via Grace Kennedy, as a member of the team that created the outsourcing model based on identifying important but non-strategic IT services. I subsequently managed tTech as they deliver those outsourced IT services. Then via Microsoft, as I assessed tTech's strategy and performance relative to their competitors in the market. My 360-degree vantage point of tTech was established when I committed to working with tTech on Nov 4, 2014...I was a guest at the tTech table as Carimed's Glen Christian was inducted into the Hall of Fame.

– Marcelle Smart

Health and Wellness

Express Fitness Partnership

The health and safety of our team has and will always be one of our main priorities. Here are the highlights for 2021.

Health is wealth and we recognize the value of a healthy and fit team that is why we continue to invest in the overall wellbeing of our team. This year we signed a partnership agreement with express fitness for corporate gym membership where we provide subsidized membership for our team.

In addition to the gym membership for physical fitness the company continues to provide facilities for emotional and mental health through partnership with professional counselling organizations. The company continues to provide interventions for team members who are perceived to have physical, mental or wellness related issues and are referred to specialists for treatment.

Wellness Hike

As the pandemic continued to impact us, we found it important to engage the team in activities surrounding wellness and what greater way is there to do that than to interact with nature.

Training & Development

For the company to be sustainable and for our team to provide an insanely good customer experience, training is critical and paramount.

We continue to invest heavily in training and expanding our succession planning throughout the company.

This is achieved through the provision of technical training, soft skills training, participation in conferences locally and overseas, and sponsorship for exams, aimed at gaining technical certifications necessary to support their function.





Reward & Recognition

Team Activity: Annual Christmas Event & Awards Ceremony

This year we had the opportunity to get together as a team to break from the monotony of work and bond as a team at our annual Christmas event and award ceremony, which took the form of a black-tie event this year.

Awards Ceremony

This year we placed tremendous focus on rewarding and recognizing the hard work, commitment, and efforts of our team throughout the year and presented awards in the following categories.

1. People's Choice Award
2. Departmental Awards
3. Leadership Awards
4. Long Service Awards
5. Employee of the Year Award
6. Special Committees Awards

This year, a total of 52 awards were presented across the different categories, some recipients being multiple awardees. It was a grand and joyous occasion and the largest awards ceremony since inception.

Employee of the Year Award

Our employee of the year award each year is given to a team member who demonstrates the true tTech Spirit which



This year our employee of the year was Danielle Coward-HR Coordinator

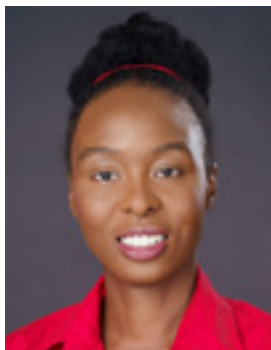


I ...started the 5-year partnership to build out the Consulting portfolio. ... the caliber of the people at tTech...worthy of trust. That is the type of organisation tTech is... people first. People that make IT work.

Congratulations to Teddy, Chris and team on a solid 15 years!!

Congratulations on achieving this milestone tTech! It's amazing that Teddy's vision has grown into this formidable force powering ICT in so many companies around the world where your customers can focus on their core area and have true IT peace of mind. As an alumnus, I can say that tTech invests in training staff so that each person, regardless of department, provides an insanely good customer experience all the time. Continue to grow tTech and I look forward to writing many more of these messages as you continue to succeed and make a positive impact on industries all over the world.

– Sonika Jerry



Happy 15th anniversary to tTech! When I joined tTech in 2016, I had no idea that I would be given opportunities that would stretch my wings and help me to explore what I was good and hone the skills that I now use every day.

It was hard work but thank you, Teddy, and Marcelle for giving me the space to find me and re-enforcing the value of serving our customers with excellence and taking the time to understand and relate well with others. I would never be where I am today without those invaluable lessons.

– Chanel Robe

is captured by our Credo and guides the way how we should work, both with our customers and partners as well as with each other. Each employee that meets the criteria for selection is given an equal opportunity to be selected as the Employee of the Year through the voting process.

Danielle's victory is one for the records as she broke the tradition of employee of the year award being awarded to a member of the technical services team. In defying the odds, Danielle has proven that with hard work, a commitment to excellence and discipline anything is possible.

Other Rewards & Recognition Activities

We are committed to providing a rewarding, positive and supporting environment for our team to strive and develop. As such, we continue to recognize and reward our team members throughout the year for delivering insanely good customer experiences in their daily interactions with our internal & external customers by recognizing them publicly

in staff meetings, through our internal communication channels and rewarding them for simply being a great team, poised to continually deliver on our vision of achieving greatness which they consistently display, daily.

Stronger together for the Future

The result is a culture that is worth the effort. Our values create the framework in which we can grow individually, and as a company. It is a lot of work as these core values challenge us, but they also guide us and make us stronger.

Growth requires vulnerability, the empathetic support of one another, to be open and honest, things that people are not naturally inclined to deal with.

Growth requires work. We want to grow.

This work will result in greater confidence within the team and in our company.

Together, we have a chance to take on the challenges of the post-covid crisis and grasp, opportunities of the future that we all can be proud of.

Salut to the team!





tTech is where I started my IT Security career. My expectations at the time were simple. Tried my best and be part of a company that is truly trying to make a positive impact in the IT space. However, my expectations were slightly misguided. tTech was not a just company, but a family away from home and their contribution to my professional growth provided me with everything I needed to be successful.

I am truly proud and excited to celebrate this amazing milestone. Happy 15th Anniversary to the tTech family!

– Jermaine Robinson



After leaving university, tTech was the perfect start to my journey. The wealth of knowledge and diversity that the team possesses has done wonders for my professional and personal growth (shout out to Norman for introducing me to pivot tables Lol).

When the team works, they work hard, but when they play, they play equally as hard. Ever so often, google photos reminds me of all the fun I had in the service desk area.

The experience was extremely invaluable, so here's to many more years of shaping the talents of young professionals. Happy 15th Anniversary tTech!!

- Shantel Thomas



I worked at tTech Limited for three years and during that time I have seen successes and failures, highs and lows, celebration, and crisis, but through it all we remained focused on the objective, to ensure our customers and colleagues received an "Insanely Good Customer Service" experience at all times.

The future is more exciting than the past, but the past has some great stories that will forever be a part of my development.

I am so proud and grateful to have been a part of the tTech Family. I wish you lots of prosperity and success in your future business endeavors.

Happy 15th Anniversary!

- Vannesa Carter

"tTech was one of my first jobs after finishing my BSc. in Information Technology -that was about 6 years ago. I could not have asked for a better place to work coming out of university. I was met with a dynamic, challenging, and super supporting environment that allowed me to put all my training and learned skills to use while learning and developing new ones.

My time at tTech really engrained the mantra of providing an "insanely good customer experience". I take that mantra with me in all my professional endeavors, and it has significantly helped to raise the bar in every role I have taken on since then.

Thank you, tTech, and massive CONGRATULATIONS on your 15-year milestone

– Chad Daley

OUR COVID-19 RESPONSE

Keeping Safe Together

Officially, a year into the pandemic and what a paradigm shift in the way we work, go to school and live. The panic and uncertainty have subsided somewhat, and we have become accustomed if not fully on board with the government protocols. Borders are now open, and travel has resumed with the objective of increased economic activity which augurs well for our people. We are now in the midst of the third wave of Covid 19 with according to the medical community a mostly deadly mutant of the virus. We have been resilient and tough and rode the waves as they come but we inherently miss and long for social connections.

Simply being together.

Monitoring Mode

Our Health, Wellness & Safety (HWS) Committee continues to ensure the safety, welfare and health of our tTech family while maintaining the viability of the business. Members of the committee include:

- Moneshe Hutchinson
- Lesley Cousins
- Marlon Philipps
- Patricia Fuentes-Green
- Nordeen Burke
- Stephan Pitterson
- Laren Lettman

Protocols and Guidelines

Protocols are in full force and operationally the company has a hybrid workforce in place. Access to our office was limited, we restricted walk-ins, face-to-face meetings with internal and external parties and promoted the use of an online platform (Microsoft Teams) for meetings and collaboration.

The human resources team and the HWS Committee consistently enforced measures and provided guidance and direction as we navigated the management of a hybrid team.

Measures in place included:

- The provision of guidelines for staff and managers to support the transition to hybrid work.
- The enabling of different software for communication and real time responses.
- The deployment of tools such as smart phones, monitors and docking stations to support productivity.
- Provision of guidelines for employees working from home and the office, including practicing social distancing and recommended hygiene practices.

- Provision of masks and other PPE's were essential.
- Frequent communication and updates regarding new MOH guidelines, changes or improved measures.

Health & Safety

Recommendations as outlined by the World Health Organisation and the Ministry of Health were used to guide our health and safety efforts. Additionally, the company had limited overseas travel, in-person meetings and team group events.

Disaster Recovery and Business Continuity

The company's Disaster Recovery and Business Continuity Planning (DRBCP) Team worked alongside the HWS team to monitor, update and in any event activates the DRBC plan for the company.

Onsite Sanitation Measures

General tips for avoiding exposure to the virus in general areas such as in the bathrooms and kitchenette are provided. We continue with the deployment of bottles of hand sanitizer and wipes, increased office cleaning schedule and automatic sanitation stations throughout the office. In addition, maintained a procedure for handling and disinfecting customer equipment and other packages received at the office.

Team Support and Reassurance

Our team engagement platform, Officevibe was continuously monitored to determine how the team was coping with the objective of providing the necessary support and reassurance.

Mandatory was weekly check-ins/phone calls with both remote workforce and staff working from the office and ensuring that all team members had the required tools to carry out their functions.

As we are social beings the strain of not being able to socialize created some challenges and we took action to help our team to cope. In addressing these challenges, we continued the partnership with Grace and Staff Counselling Services to provide mental strain support, stress relief and counselling sessions for our team.

We still maintained the family spirit by virtual team gatherings through the use of the Microsoft Teams platform.

We are indeed grateful and thankful and work continues in making health and safety our priority, for our team and their families and Jamaica, land we love.



Disaster Recovery and
Business Continuity
Planning

Virtual
CIO
Services

Project &
Portfolio
Management

Leave
IT to
us

tTech Consulting
services portfolio
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you **IT simplified.**

Our team provides the
expertise to select and
implement applications
that support the higher
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Giving Together, Building Together

CORPORATE SOCIAL RESPONSIBILITY

2015/2016

Development of downtown community

We believe in building the community in which we work and operate. Over the past 5 years, our team has participated in various 5K walkathons specific to the Down Town community including the GraceKennedy 5K and the Digicel 5K Night Run, which we wholeheartedly support. Grace & Staff Foundation operates 5 homework centers throughout Kingston. We provide full IT support to these homework centers that supports several communities including Tower Street, Majestic Gardens, De La Vega City, Quarry Hill and Barbican. Our services are heavily discounted and the support includes installation and maintenance of the IT infrastructure. Additionally, the team delivers various presentations to the children on topics that are relevant to their areas of study and will aid in their development.



2017

Community renewal

Community renewal and building are the foundations of the environment in which we operate. Our team continues to provide technical support to the various Grace and Staff Homework centres located in Downtown Kingston. Additionally, we support the going green campaign by greening our offices to reduce the emissions from computer equipment.

The Sickle Cell Foundation of Jamaica, the Special Olympics Association and the Association of Surgeons in Jamaica are beneficiaries of our community involvement.



JC Robotics Team

tTech has supported this great initiative of the development of robots/robotics by sponsoring the Jamaica College Robotics team participation in international competitions throughout the years. The JC Robotics team has won several competitions and placed brand Jamaica on the international map. Their most recent wins this year was the First Tech Challenge Robotics competition held on February 18th and 25th in New York and the East Super-Regional Robotics Championship held in Scranton, Pennsylvania.

2018

Community renewal

We extended our social responsibility to the Franklyn Town Early Childhood Institution. Our team put in a hard day of work into this project of community renewal and felt a sense of renewed pride and fulfilment at the end.





On September 21, International Coastal Clean Up Day, we partnered with the GraceKennedy Foundation to clean the coastline.

Youth Can Do It Team (YCDI)

According to team lead, Lianne McNaughton "Team YCDI represents the promise of our Jamaican youth and we represent the sheer creativity and knowledge that is generated right here in Jamaica." A strong and true statement and we are committed to Brand Jamaica where we can provide facilities for our youths to compete on the international stage with other countries. Team YCDI won the local staging of the #HackAgainstHunger Hackathon that was hosted by Department of Computing at UWI on February 17 through 18, 2018. Teams were asked to develop ICT solutions that help to improve food security, decrease malnutrition or help to prevent famine, in accordance with the United Nations' Sustainable Development Goal Number 2. This resulted in the development of an app A-grow which is a web and mobile platform that makes agricultural data smart. Subsequently, the team travelled to Switzerland to compete in the international round of the Hackathon that was held on March 18th and 19th, 2018, where they competed against teams from all over the world and won the competition.



2019

Labour Day at The Vineyard Town Golden Age Home

The Vineyard Town Golden Age Home was our Labour Day project and it was a labour of love, joy and at times tears. We were assigned to Cluster D which is the cluster at the home with the most need in terms of hands on care. The interaction with the residents was impactful as their needs were great. We listened to some of the stories and learned a lot about the challenges they faced – we felt empowered to do more. We made several visits throughout the year, and each time we went back, the residents were happy to see us and welcomed us.



Redevelopment of Downtown Kingston

Later in the year, we hosted our customers at the unveiling of the very first Augmented Reality Mural at the staging of the Kingston Creative Downtown Culinary Artwalk. tTech continues to improve the community in which we operate by partnering with Kingston Creative. Not only did this collaboration allow us to give back to the community, but also affords us the opportunity to showcase our downtown community to our customers. The artistic walk went through the streets of Downtown Kingston to various historic locations including The National Gallery and performances at various stops. The artwalk is also a commercial platform for creatives, with the inclusion of Market Street which showcases the products of creative entrepreneurs. The artwalk which takes place the last Sunday in each month, sees a large number of people in attendance. We are elated to be a part of this venture which subsequently contributes to the redevelopment of Downtown, Kingston.

Partnering with GraceKennedy Foundation

On September 21, International Coastal Clean Up Day, we partnered with the GraceKennedy Foundation to clean the coastline at Buccaneer and Gun Boat Beaches located along the Palisadoes stretch. We have continued to provide technical support to the various Grace and Staff Homework centres located in Downtown Kingston. Other community beneficiaries include The Sickle Cell Foundation of Jamaica, the Special Olympics Association and the Association of Surgeons in Jamaica.



Annual Essay Competition

For the fourth year, tTech supported the Grace and Staff Community Development Foundation in the staging of their annual essay competition. The competition targets students through homework centres established by the foundation in vulnerable areas. At the awards ceremony, Dr. Curtis Sweeny, coordinator of the essay competition and counselling psychologist with the Grace and Staff Community Development Foundation, said that the quality of the essays continues to improve over the years and that the judges found it challenging to identify the top essays. The applicants were tasked with developing an essay on the question, 'How can people in my environment help to encourage, enable and

include me?' This was in keeping with the theme for Child's Month. The entries were from students at the primary and secondary levels across all six homework centres. We have continued the four-year partnership which is a demonstration of tTech's commitment to nation-building through community renewal and youth development. It was a delight to once again partner with the Grace and Staff Community Development Foundation on this very empowering activity and to see the happy faces of the children as they received their prizes.



Donation of Computer Equipment

Youth development initiatives remained at the forefront and we thought about what else we could do. One of our team members identified a need for computer equipment at the Mico Practising & Junior High School and we subsequently made a visit. We saw a great need in the computer lab and through a partnership with UNICEF we were able to donate some computer equipment and peripherals.

Art District

tTech was the first member of Jamaica's business community to have donated an augmented reality mural to the Art District of Downtown Kingston as a part of its redevelopment project. We pride ourselves in doing this, as it has afforded us the opportunity to support the communities in which we operate.



2020

The City Kids Homeschool initiative

The City Kids Homeschool initiative, was the brainchild of a Parade Gardens resident affectionately known as 'Aunty Paula' and Pastor Carrington Morgan, Executive Director of the local non-profit City Life Ministries. The aim is to provide much needed academic support to inner-city children through the establishment of homeschool clusters in three inner-city communities in Kingston: Waterhouse, Tivoli Gardens and Parade Gardens.

Globally the world recognised that showing humanity is the very core of our existence with the advent of COVID-19. The pandemic brought to the fore our collective social responsibility and that indeed we are one world without impenetrable barriers.

We were constrained by the pandemic and not able to be socially active as normal in a physical setting, but we could not pass up on the opportunity to make a difference in the lives of children in Downtown Kingston.



Community Renewal and Engagement

Our community outreach activities were less intense than in previous years because of the COVID-19 pandemic, but our outreach did take place and included support for the Parade Gardens South Side community.

The City Kids Homeschool initiative, was the brainchild of a Parade Gardens resident affectionately known as 'Aunty Paula' and Pastor Carrington Morgan, Executive Director of the local non-profit City Life Ministries. The aim is to provide much needed academic support to inner-city children through the establishment of homeschool clusters in three inner-city

CORPORATE SOCIAL RESPONSIBILITY

communities in Kingston: Waterhouse, Tivoli Gardens and Parade Gardens.

We partnered with City Life by a cash contribution as well as facilitating training for “parent-teachers” in the use of ICTs as well as curriculum delivery amidst the COVID-19 pandemic.

Our involvement in the programme was a natural fit for us as we work and operate within the downtown Kingston community, so we jumped on-board this timely initiative. Our Corporate Social Responsibility philosophy speaks to youth and community development and we believe that if you impact a child's life, you impact a community and ultimately, the country.

Our Team

Our commitment to the team remains a priority and we continue to support the various charity initiatives they are involved in.

Youth Development

We once again partnered with Grace and Staff Community Development Foundation on their Annual Child Month Essay Competition. The title for the year was “Coronavirus School Lockdown - What can I do to build a better me during and after the crisis?” We provided two tablets for the winners.

Our Customers

Our customers are our business partners, and we support their charitable activities and pledge our continued support.



AMCHAM awards tTech for excellence in Corporate Social Responsibility

tTech was named second-place winners for ‘Excellence in Outstanding Corporate Social Responsibility’ by The American Chamber of Commerce of Jamaica (AMCHAM) at their 33rd Annual Business and Civic Leadership Awards for Excellence ceremony. We were recognized at the event, held at the Jamaica Pegasus, from a group of nominees in the small business category and were commended for our commitment to community development and empowering youth to optimize their skills.

AMCHAM, through their awards, aim to showcase businesses, individuals and non-profit organizations that are driving and achieving economic and social progress in Jamaica through ethical leadership, stewardship, and community-building activities.

Although the year was challenging in terms of outreach activities our core values, passion for change, renewal of our community, our team and our customers remain a priority.



CORPORATE SOCIAL RESPONSIBILITY

2021 Report

Another year of giving together and working together with our hearts and our hands. The value of giving together is a shared commitment to invest in social change and the most rewarding to give.

This year being our 15th year anniversary we decided to forego any celebratory events and channel our funds to Corporate Social Responsibility (CSR) activities.

We recognized that given the global pandemic and the immediate struggles of our nation it will be a better spend for the company that will create impact and for the greater good.

Immediately, the team came up with our 15th year anniversary CSR activities and went into execution mode. Some of the activities included:

60 Tablets Initiative

The initiative was the first activity in the company's anniversary celebrations, which saw us donating close to \$1 million worth of tablets to needy Jamaican students.

A total of 60 tablets were earmarked for students from the primary to high school level hailing from 15 different schools across the parishes of Kingston, St Catherine and Westmoreland.

The tablets were distributed during a ceremony at our offices to the Kingston and St Catherine-based students, who were identified by the charity organisation, House of SDM.

Central to our decision to embark on this initiative was our recognition that access to technology for schooling was still a pressing issue for local students we channelled funds to provide tablets as a necessary resource to students whose education had been negatively impacted by the pandemic.

tTech has always, and especially throughout the pandemic, supported initiatives that cater to youth and education. As a result it was important for us to channel our efforts into giving back to this community to effect change in how children learn – so 15 schools



were chosen to celebrate our 15th anniversary. It was important for us to make this investment in the children, as the future of tech in Jamaica is in their hands.

Francine James-Prince, Finance Director for the Tourism Enhancement Fund (TEF) and the guest speaker at the ceremony, encouraged the children to follow her example in using education to their advantage, to navigate negative circumstances that they may face.

"The best thing that anyone can give is the gift of education and that is why we wanted to provide these children with something that could positively impact their lives," Sheldon Millington, Chairman of House of SDM stated.

University of Technology School of Computing Tertiary Grant

Four deserving University of Technology (UTech) students were awarded grants to fund their 2021/2022 tuition.

This initiative was the second education-focused activity in our 15th-anniversary celebrations. A total of \$250,000.00 was earmarked for the four students from UTech's School of Computing who, in addition to their financial needs, showed eagerness to better their immediate and surrounding communities and contributing to the use and development of technology in Jamaica.

At the heart of our decision to lead this initiative was our passion for youth development and education, as well as their awareness that access to funding for schooling, especially during the pandemic, became an even more pressing issue for local tertiary students.

The success and mindset of the grant recipients is a shared one. and Gillian Murray, Marketing Manager at tTech openly praised the scholars, commenting, "I had goosebumps when I read the students' submissions. The amount of stick-to-it-iveness that they display despite the many challenges and hurdles that they encounter reminds us of the approach that tTech has taken to enable us to grow and sustain for 15 years. That is why we have

commended and awarded them accordingly, and with those shared principles we are confident that the students will become ambassadors to our firm".

The company not only provides financial support, but opportunities for youth seeking to pursue careers in Information Technology. We have been a partner to the UTech School of Computing for years – engaging the school's best and brightest with career presentations, internships, mentorship from the company's experienced professionals and now monetary grants.

At the grant handover ceremony held at tTech's offices, Chief Executive Officer, Chris Reckord stated that, "I do understand some of the challenges that some of my fellow students went through to get by, so when our team came up with the idea, it was easy for us to adopt the concept of 'giving' for our 15th Anniversary". He continued, "we are glad to see that these young people have taken such a deep interest in technology and are eager to facilitate the great transformation that it will bring about in Jamaica, so we have to ensure that, for them, the right seeds are being planted and that we are nourishing them in the right way".

The Jamaica Legion Poppy Appeal



We made a charitable donation towards the Jamaica Legion National Poppy Appeal, which began its annual drive in October 2021. The Poppy Appeal was established to provide some much-needed support to military veterans in Jamaica.

One of the foremost goals of the Poppy Appeal for 2021 was to increase the awareness of the Jamaican public about the fight to uphold the human rights and freedoms that the

poppy flower signifies and thousands of Jamaica soldiers sacrificed to secure – leaving many of them physically and psychologically maimed. Our contribution supported the Poppy Appeal in meeting their financial goal of raising \$15,000,000 to be used towards the care of indigent military veterans at Curphey Home in Newport, Manchester.

Chairman of the Poppy Appeal, Lieutenant Colonel Warrenton Dixon, said “tTech has contributed to our financial goal, for which we are grateful, but the spiritual support that lead tTech to extend the financial support in the first instance is the most invaluable contribution, as it helps us towards meeting our primary goal of a greater spiritual bond to what the poppy represents. It is likely that even without future financial support, the staff of tTech will continue to sense a connection to our veterans in future years”.

We were pleased to be able to assist with such an effort. Gillian Murray, stated that “Our veterans have made tremendous sacrifices to serve our country and protect our rights and freedoms. Whether they served in active combat or a support role, military veterans are at a higher risk of mental health disorders, post-traumatic stress disorders (PTSD), and substance abuse disorders”. She continued saying, “Many are living with disability, chronic pain, and other service-related illnesses. These sacrifices warrant our duty to always help them heal to the very best of our ability, so they may comfortably enjoy meaningful moments with their loved ones and the quality of life they deserve”.

tTech has always, and especially throughout the pandemic, supported initiatives geared towards human rights and the betterment of Jamaica.

Back to School Drive

tTech partnered with Youth Education Association (YEA) and hosted a back-to-school donation drive at the Yallahs High School in St. Thomas.

Some much needed supplies were given that catered to students from primary to high school in the Yallahs community to help them better prepare for and manage the school year, whether virtually or face to face. We were pleased to help the students and have always wanted to do a back to school treat in support of education in Jamaica.

Executive Director of YEA, Tahje Wallen stated that “the turnout was more than expected and the children and community were very happy with our presence. We

were actually thanked on more than one occasion for choosing Yallahs as one of the communities to help in this way as there were a lot of families who needed help to manage back to school. We are truly grateful that tTech, along with other sponsors agreed to support us in supporting them.”

The pandemic did not deter us, we went in with our hearts and hands giving and working together to help those in need. We remain committed to our corporate social responsibility philosophy which speaks to youth and community development because we believe that if you impact a child's life, you impact a community and the country by extension.





INDEPENDENT AUDITOR'S REPORT

To the Members of tTech Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of tTech Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Allowance for expected credit losses	
<p>As described in Notes 3 (i), 7 and 20, and in accordance with IFRS 9 – 'Financial Instruments', the Company applies the simplified approach to computing expected credit losses ('ECLs') on trade receivables and other related assets and the general approach for debt instruments.</p> <p>The measurement of ECLs requires management to consider its historical credit loss experience and current business conditions, adjusted for forward-looking factors such as economic indicators, which may impact a debtor's ability to pay. Where the general approach is applied, judgment is used in determining whether there has been a significant increase in credit risk and estimating the probability of default and the loss given default. The ECLs being recorded are therefore considered to be highly subjective.</p>	<p>Our procedures amongst others included the following:</p> <p>We evaluated the techniques and methodologies developed by the Company in order to estimate the ECLs and assessed their compliance with the requirements of IFRS 9.</p> <p>We assessed the reasonableness of the methodologies and assumptions applied, by validating the completeness of the inputs used to derive the loss rates, which are integral to the provision matrix used in determining the ECLs for trade receivables and other related assets.</p> <p>For financial assets classified as debt instruments, we corroborated management's assumptions with data from external sources, particularly with respect to the determination of whether there has been a significant increase in credit risk, probabilities of default and loss given default rates.</p> <p>We also assessed the adequacy of disclosures in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition under IFRS 15 - Revenue from Contracts with Customers	
<p>Note 3 (ii), Use of estimates and judgements under the section "Revenue recognition under IFRS 15", details management's judgements, when applying the five (5) step approach outlined by the standard, to contracts with their customers, as follows:</p> <ol style="list-style-type: none"> 1. Identify the contract(s) with a customer 2. Identify the performance obligations in the contract 3. Determine the transaction price 4. Allocate the transaction price to the performance obligations in the contract 5. Recognise revenue when (or as) the entity satisfies a performance obligation. <p>The standard also requires management to identify the performance obligations in a bundled sale of equipment and installation services and determine the timing of satisfaction of the performance obligations. It also requires management to determine whether it acts as a principal or agent in executing the contracts and if there are significant financing components included in the promised payment amounts.</p>	<p>We have obtained and reviewed management's assessment and understood the underlying assumptions used to support the calculations as regards IFRS 15. We also evaluated the appropriateness of the Company's revenue recognition policy in comparison to the requirements of the standard.</p> <p>We reviewed management's computations and independently reviewed a sample of contracts and evaluated them in accordance with the five (5) step approach as follows:</p> <ol style="list-style-type: none"> 1. We obtained and reviewed established signed contracts to validate that legitimate contracts exist with customers, 2. We identified the relevant performance obligations as stipulated by the contracts. 3. We verified the transaction prices that are explicitly stated in the contracts associated with the relevant performance obligations. 4. We obtained and reviewed invoices on a sample basis, along with supporting reports confirming evidence of work carried out and performance obligations being met. Additionally, where bundled services were offered, we assessed whether the transaction price should be allocated to each performance obligation. 5. Based on the above, we verified that revenue was properly recognized in the correct period. <p>We also assessed management's assertion that the Company acts as a principal for the equipment sold as they exercise control over the related assets, including warranties and software licences, purchased from third parties and resold to customers.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition under IFRS 15 - Revenue from Contracts with Customers (continued)	<p>Short-term advances received from customers were verified to determine whether any significant financing components were identified. These advances were generally settled within one year.</p> <p>We also reviewed the disclosures for appropriateness in accordance with IFRS 15.</p>

Other information included in the Annual Report

Management is responsible for the other information. The other information comprises of the information included in the Annual Report for the year ended 31 December 2021 but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To The Members of tTech Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Kayann Sudlow.



Ernst & Young
Kingston, Jamaica

31 March 2022

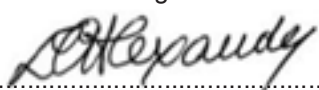
Statement of Financial Position

As at 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 \$'000	2020 \$'000
Current assets			
Inventories	5	1,518	3,415
Contract assets	6	26,337	34,863
Tax recoverable		884	-
Accounts receivable	7	68,433	71,789
Other receivables	8	17,428	14,193
Investments	9	28,485	-
Government securities purchased under resale agreements	10	87,710	91,388
Cash and bank balances	11	36,389	26,578
		<u>267,184</u>	<u>242,226</u>
Current liabilities			
Accounts payable	12	40,847	43,334
Contract liabilities	13	3,323	5,252
Lease liability (current portion)	14	1,959	1,536
		<u>46,129</u>	<u>50,122</u>
Net current assets		<u>221,055</u>	<u>192,104</u>
Non-current assets			
Deferred tax asset	15	1,068	-
Property and equipment	16	12,947	12,898
Intangibles	17	304	650
Right-of-use asset	14	22,235	25,302
Investments	9	10,158	36,170
		<u>46,712</u>	<u>75,020</u>
Non-current liabilities			
Long-term lease liability	14	25,940	27,900
Net non-current assets		<u>20,772</u>	<u>47,120</u>
Total net assets		<u>241,827</u>	<u>239,224</u>
Shareholders' equity			
Share capital	18	51,727	51,727
Unappropriated profit		<u>190,100</u>	<u>187,497</u>
		<u>241,827</u>	<u>239,224</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2022 and are signed on its behalf by:



 Edward Alexander – Chairman



 Gordon Christopher Reckord - Director

Statement of Comprehensive Income

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 \$'000	2020 \$'000
Revenue from contracts with customers	19	392,160	359,481
Cost of sales	20	<u>(136,150)</u>	<u>(113,993)</u>
Gross profit		256,010	245,488
Other income, gains and losses	21	17,170	14,399
Administrative expenses	20	(229,673)	(206,526)
Other operating expenses	20	<u>(34,983)</u>	<u>(30,213)</u>
Operating profit		8,524	23,148
Finance income	23	1,938	1,726
Finance cost	24	<u>(2,286)</u>	<u>(2,393)</u>
Profit before taxation		8,176	22,481
Taxation	26	<u>45</u>	<u>-</u>
Net profit		<u>8,221</u>	<u>22,481</u>
NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	25	<u>8,221</u>	<u>22,481</u>
Net profit attributable to owners		8,221	22,481
Earnings per share	29	<u>0.08</u>	<u>0.21</u>

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital \$'000 (Note 18)	Unappropriated Profit \$'000	Total \$'000
Balance at 1 January 2020		51,727	165,016	216,743
Net profit being total comprehensive income for the year		-	22,481	22,481
Balance at 31 December 2020		51,727	187,497	239,224
Net profit being total comprehensive income for the year		-	8,221	8,221
Dividends	30	-	(5,618)	(5,618)
Balance at 31 December 2021		51,727	190,100	241,827

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Net profit for the year		8,221	22,481
Adjustments for:			
Allowance for expected credit losses	7,20	4,760	4,845
Depreciation – Right-of-use asset	14,20	3,067	3,067
Depreciation charge	16,20	5,506	4,480
Amortization	17,20	346	304
Loss on disposal of equipment	21	313	-
Dividend income	21	(126)	(112)
Foreign exchange gain	21	(8,608)	(14,607)
Tax credit	26	(45)	-
(Appreciation)/depreciation in fair value of equity investments	21	(398)	1,112
Interest income	23	(1,938)	(1,726)
Interest expense - lease liability	14,24	2,286	2,393
Operating cash flows before movements in working capital		13,384	22,237
Inventories		1,897	-
Contract assets		7,083	(2,554)
Accounts receivable		79	(33,478)
Other receivables		(3,235)	4,617
Accounts payable		(2,487)	1,609
Contract liabilities		(1,929)	1,582
		14,792	(5,987)
Dividend received		126	112
Interest received		1,970	1,923
Interest paid - lease liability		(2,286)	(2,393)
		14,602	(6,435)
Taxation paid		(1,907)	-
Net cash flows provided by/(used in) operating activities		12,695	(6,435)
Cash flows from investing activities			
Additions to property and equipment	16	(5,555)	(4,276)
Additions to intangibles	17	(313)	-
Investments		(2,124)	(2,070)
Cash used in investing activities		(7,992)	(6,346)
Cash flows from financing activity			
Payment of lease liability- principal portion	14	(1,537)	(1,163)
Dividends paid	30	(5,618)	-
Cash used in financing activities		(7,155)	(1,163)
Decrease in cash and cash equivalents carried forward		(2,452)	(13,946)

Statement of Cash Flows

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 \$'000	2020 \$'000
Decrease in cash and cash equivalents brought forward		(2,452)	(13,946)
Effect of exchange rate on cash and cash equivalents		8,608	14,607
Cash and cash equivalents at beginning of the year		<u>116,265</u>	<u>115,604</u>
Net cash and cash equivalents at end of the year		<u>122,421</u>	<u>116,265</u>
Comprised of:			
Cash and bank balances	11	33,840	23,916
Short term investments	10	<u>88,581</u>	<u>92,349</u>
Net cash and cash equivalents at end of the year		<u>122,421</u>	<u>116,265</u>

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

1. IDENTIFICATION

tTech Limited (the "Company") is a limited liability company, which is incorporated under the Jamaican Companies Act and is domiciled in Jamaica with registered office located at 69½ Harbour Street, Kingston, Jamaica.

The principal activity of the Company is that of information technology service providers and consultants.

On 7 January 2016, the Company's ordinary shares were listed on the Junior Market of the Jamaica Stock Exchange.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act ("the Act").

(b) Adoption of new and revised International Financial Reporting Standards

The Company did not have any first-time adoption of any standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards and interpretations adopted during the year

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Standards and interpretations adopted during the year (continued)

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

New, revised and amended standards and interpretations that are not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations may be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. Management and the directors believe the amendments are not applicable to the Company.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2022.

Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision).

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments are effective for annual periods beginning on or after 1 January 2022 and will not have an impact on the financial statements of the Company.

Annual Improvements 2018-2020 Cycle (issued May 2020)

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

Annual Improvements 2018-2020 Cycle (issued May 2020) (continued)

- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (continued)
An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the financial statements of the Company.

- IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Company.

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023) (continued)

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Company.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy

Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed. The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (continued)

Right to defer settlement

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

Existence at the end of the reporting period

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2023.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company will assess the impact of this amendment for adoption at the effective date for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full.

Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments are not expected to have any impact on the financial statements of the Company.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(c) Basis of preparation

The Company's financial statements have been prepared on the historical cost basis, except for revaluation of financial assets classified as fair value through profit or loss that are measured at revalued amounts or fair values as explained in the accounting policy at Note 4(b).

Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented Jamaican dollars (\$), which is the functional currency of the Company.

3. ESTIMATES AND JUDGEMENTS

The preparation of the financial statements to conform with IFRS, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Allowance for expected credit losses

The Company uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for various ageing buckets and the related loss patterns. The provision matrix is initially based on the Company's historical observed default rates.

The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product, inflation and foreign exchange rates) are expected to deteriorate over the next year which can lead to an increased number of defaults in the technology sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Notes 7 and 28.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

3. ESTIMATES AND JUDGEMENTS (CONTINUED)

(i) Allowance for expected credit losses (continued)

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

As described above, for trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

At year end, cash and cash equivalents had a gross carrying value of \$33.84 million (2020: \$23.92 million) with an impairment provision of \$0.45 million (2020: \$0.34 million) (Note 11). Government securities purchased under resale agreements had a gross carrying amount of \$88.50 million (2020: \$92.35 million) with an impairment provision of \$0.87 million (2020: \$0.96 million) (Note 10). Accounts receivable had a gross carrying amount of \$79.21 million (2020: \$79.29 million) for which an impairment provision of \$10.78 million (2020: \$7.50 million) was recognised (Note 7). Debt instruments at amortised cost had a gross carrying amount of \$28.73 million (2020: \$26.94 million) for which an impairment provision of \$0.27 million (2020: \$0.26 million) (Note 9). Contract assets had a gross carrying amount of \$27.78 million (2020: \$40.27 million) with an impairment provision of \$1.44 million (2020: \$1.99 million) (Note 6).

(ii) Revenue recognition under IFRS 15 - Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in a bundled sale of equipment and installation services*

The Company determined that both the equipment and installation are combined and not sold separately except on rare occasions where a customer only requires either the equipment or installation services alone. The Company also determined that the promises to transfer the equipment and to provide installation are grouped within the context of the contract. The equipment and installation are inputs to a combined item in the contract.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

3. ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Revenue recognition under IFRS 15- Revenue from contracts with customers (continued)

- *Identifying performance obligations in a bundled sale of equipment and installation services (continued)*

The Company is providing a significant integration service because the presence of the equipment and installation together in this contract result in additional or combined functionality. In addition, the equipment and installation are highly interdependent or highly interrelated, because the Company would not be able to transfer the equipment if the customer declined installation.

- *Determining the timing of satisfaction of installation and maintaining equipment services*
The Company concluded that revenue for installation, maintaining the equipment and information technology system services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Company.

The fact that another entity would not need to re-perform the installation that the Company provided demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs. The Company determined that the input method is the best method in measuring progress of the installation services because there is a direct relationship between the Company's effort (i.e., labour hours incurred) and the transfer of service to the customer.

The Company recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service, and the number of equipment units serviced.

- *Principal versus agent considerations*
The Company enters into contracts with its customers to acquire, on their behalf, equipment produced by foreign suppliers. Under these contracts, the Company provides procurement services (i.e., coordinating the selection of suitable suppliers and managing the ordering and delivery of the imported equipment).

The Company determined that it controls the goods before they are transferred to customers and has the ability to direct the use of the equipment or obtain benefits from the equipment. The following factors indicate that the Company controls the goods before they are being transferred to customers. Therefore, the Company determined that it is the principal in these contracts.

- The Company is primarily responsible for fulfilling the promise to provide the specified equipment. i.e., is responsible for ensuring the equipment is acceptable and meets the customers' specification.
- The Company has inventory risk before the specified equipment has been transferred to the customer.
- The Company has discretion in establishing the price for the specified equipment or service.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

3. ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Fair value of financial instruments

As described in Note 28(b), management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets. Valuation techniques commonly used by market practitioners supported by appropriate assumptions are applied by the Company.

The financial assets of the Company at the end of the reporting period stated at fair value determined in this manner amounted to \$10.15 million (2020: \$9.42 million) (Note 9).

Had the fair value of these securities been 5% (2020: 10%) higher or lower the profit or loss for the Company would increase/decrease by \$0.51 million (2020: \$0.94 million).

(iv) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the IBR used by the Company is the lending rate offered by its banker for similar secured borrowing.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Current vs. non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(c) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets and liabilities are recognised on the Company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss where such costs are recognised immediately in profit or loss), as appropriate, on initial recognition.

The fair values of financial instruments are discussed in Note 28(b). Listed below are the Company's financial assets and liabilities and the specific accounting policies relating to each:

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). Financial assets are recognised and derecognised on trade date where the purchase or sale of the instrument is under a contract whose terms require delivery of the instrument within the timeframe established by regulation or convention in the market place.

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt instruments only when its business model for managing those assets changes.

(i) *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset and liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income', if any. Fair value is based on realisable prices derived by valuation techniques that are quoted by the financial institution at the end of the reporting period. The Company's portfolio of financial assets FVTPL is comprised of investments in quoted shares.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

(ii) *Financial asset at amortised cost*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's portfolio of financial assets at amortised cost is comprised of certificate of deposits, repurchase agreements, accounts receivables, and cash and cash equivalents.

(iii) *Financial assets at fair value through OCI*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(iv) *Impairment of financial assets*

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

(iv) *Impairment of financial assets* (continued)

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(v) *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the company retains control), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial liabilities and equity instruments

(i) *Classification as debt or equity*

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(iii) *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs (where applicable). They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short-term liabilities when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company's financial liabilities comprise accounts payable balances and contract liabilities.

(iv) *Derecognition of financial liabilities*

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and highly liquid financial assets with original maturities of 90 days or less, which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Government securities purchased under resale agreements

Securities purchased under resale agreements ("reverse repos") are short-term transactions whereby an entity buys securities and simultaneously agrees to resell the securities on a specified date and at a specific price. Title to the security is not actually transferred unless the counter-party fails to comply with the terms of the contract.

Reverse repos are accounted for as short-term collateralized lending, classified as debt instruments at amortised cost.

The difference between the sale and repurchase considerations is recognised on an accrual basis over basis over the period of the transaction and is included in interest income.

(f) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(g) Property and equipment

Property and equipment held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost of property and equipment less residual values, over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and carried at cost less any accumulated amortisation and accumulated impairment losses. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset maybe be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generated unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Related party transactions and balances

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity", that is, the Company).

- (A) A person or a close member of that person's family is related to the Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (d) is a member of the key management personnel of the company or of a parent of the Company.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Related party transactions and balances (continued)

- (B) An entity is related to the company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the Company.
 - (vi) The entity is controlled, or jointly controlled by a person identified in (A).
 - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(k) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(l) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs comprise expenses incurred in bringing each product to its present location and condition are accounted for on first in/first out basis.

(m) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3 (ii). Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition (continued)

Sale of equipment

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally due within 10 days from delivery of the equipment. The transaction price is specified in the contract.

Installation services

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer.

Contracts for bundled sales of equipment and installation

Installation services are in instances bundled together with the sale of equipment to a customer. The Company accounts for the equipment and installation service as one deliverable within bundled sales with specified transaction prices for equipment and installation services.

Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Company recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the sale of the equipment are recognised at a point in time, generally upon delivery of the equipment.

Procurement services

The Company is a principal and records revenue on a gross basis as it controls the promised goods or services before transferring them to the customer. The performance obligation is satisfied, and payment is due upon receipt of the goods or services by the customer.

Warranty

For all IP phones sold, one year warranty is provided to customers for manufacture defects that may have existed at the time of sale. The warranty is not a separate performance obligation on the part of the Company as it is directly charged to the manufacturer. The extent of the performance obligation for the Company under the warranty service agreement is to transfer the defective part/unit back to the manufacturer and facilitate a transportation of a replacement part/unit.

The performance of the obligation is satisfied upon delivery of finished goods is generally due before, or at the time of, delivery.

(n) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the Board of Directors which is the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Segment reporting (continued)

Based on the information presented to and reviewed by the CODM, the operations of the Company are considered as one operating segment.

(o) Foreign currencies

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Company operates (its functional currency). In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items, are recognised in profit or loss in the period in which they arise.

(p) Finance costs

Finance costs comprise interest payable on borrowings as well as any discount arising from applying the time value of money to current obligations calculated using the effective interest rate (EIR) method. The EIR amortisation is included as finance costs in the statement of comprehensive income.

(q) Leased assets

The Company is a lessee under the agreement for the leased premises utilized for its corporate office. The Company determines whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company must have the right to direct the use of the asset.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leased assets (continued)

i) *Right-of use assets*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company should have the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

ii) *Lease liability*

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments expected to be payable and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

(r) Reclassification

Certain balances have been reclassified to accord with the current year's presentation. These reclassifications had no impact on the Company's financial position, financial performance or cash flows.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

5. INVENTORIES

	2021 \$'000	2020 \$'000
Equipment for resale	1,518	3,415

Inventory represents purchases of equipment for resale. During 2021, \$17.82 million (2020: \$20.57 million) was recognized as an expense in cost of sales related to inventory purchases.

6. CONTRACT ASSETS

Contract assets represent purchases of equipment including related third party charges and licences based on contracts with customers, to be billed at a later date. As at 31 December 2021, the Company has contract assets of \$26.33 million (2020: \$36.85 million) which is net of an allowance for expected credit losses of \$1.44 million (2020: 1.99 million).

7. ACCOUNTS RECEIVABLE

	2021 \$'000	2020 \$'000
0 - 30 days	51,245	49,767
31 - 60 days	1,937	4,730
61 - 90 days	6,488	6,904
91 - 180 days	8,079	7,673
181 - 365 days	3,797	3,574
Over 365 days	7,665	6,642
	79,211	79,290
Allowance for expected credit losses	(10,778)	(7,501)
	68,433	71,789

Trade receivables are non-interest bearing and are generally on terms of 10 days.

Included in receivables are debtors with the carrying amount of \$20.30 million (2020: \$22.88 million) which are past due but not impaired at the reporting date (Note (7)(iii)).

(i) Movement in provision for expected credit losses:

	2021 \$'000	2020 \$'000
Balance at beginning of year	7,501	2,676
Provision for expected credit losses on accounts receivable	3,277	4,825
Balance at end of year	10,778	7,501

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

7. ACCOUNTS RECEIVABLE (CONTINUED)

(ii) Ageing of impaired accounts receivable

	2021 \$'000	2020 \$'000
Over 365 days	7,665	6,642

(iii) Ageing of receivables that are past due but not impaired:

	2021 \$'000	2020 \$'000
31 - 60 days	1,937	4,730
61 - 90 days	6,488	6,904
91 - 180 days	8,079	7,673
181 - 365 days	3,797	3,574
	20,301	22,881

8. OTHER RECEIVABLES

	2021 \$'000	2020 \$'000
Withholding tax	3,076	2,609
Prepayments	8,608	7,683
Other	5,744	3,901
	17,428	14,193

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

9. INVESTMENTS

	2021 \$'000	2020 \$'000
Certificate of deposits maturing July 2022:		
USD instrument with interest of 4.25% (US\$0.114 million) (2020: US\$0.101 million)	17,478	15,873
JMD instrument with interest of 5.59% (2020: 3.54%)	11,250	11,069
Debt instruments at amortised cost	28,728	26,942
Investment in unit trust	5,521	5,183
Quoted equity securities at FVTPL	4,637	4,239
	38,886	36,364
Allowance for expected credit losses	(274)	(257)
	38,612	36,107
Interest receivable	31	63
	38,643	36,170
The movement for the year in investments is as follows:		
	2021 \$'000	2020 \$'000
At January 1		
Quoted equity securities at FVTPL	4,239	5,351
Investment in unit trust	5,183	5,091
Debt instruments at amortised cost	26,942	24,872
	36,364	35,314
Purchases	1,786	2,070
Interest received	338	92
Movement in fair value on quoted equity securities at FVTPL	398	(1,112)
	38,886	36,364
Allowance for expected credit losses	(274)	(257)
	38,612	36,107
Interest receivable	31	63
At December 31	38,643	36,170
Current	28,485	-
Non-current	10,158	36,170
	38,643	36,170

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

9. INVESTMENTS (CONTINUED)

Movement in provision for expected credit losses:

	2021 \$'000	2020 \$'000
Balance at beginning of year	257	228
Provision for expected credit losses recognized	17	29
Balance at end of year	274	257

10. GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	2021 \$'000	2020 \$'000
Reverse repurchase agreements – classified as cash and cash equivalents	88,581	92,349
Allowance for expected credit losses	(871)	(961)
	87,710	91,388

Included in the government securities purchased under resale agreements are foreign currency repurchase agreements of US\$503,294 (2020: US\$500,499). As at 31 December 2021, the maturity dates on reverse repurchase agreements range from 30 days to 90 days (2020: 30 days to 90 days) and interest rates range from 0.02% - 2.00% (2020: 0.02% - 4.25%).

(i) Movement in provision for expected credit losses:

	2021 \$'000	2020 \$'000
Balance at beginning of the year	961	899
Provision for expected credit losses (reversed)/recognized	(90)	62
Balance at end of year	871	961

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

11. CASH AND BANK BALANCES

	2021 \$'000	2020 \$'000
Current accounts (a)	4,155	1,426
Saving accounts (b)	29,665	22,470
Cash in hand	20	20
	<u>33,840</u>	<u>23,916</u>
Restricted cash	3,001	3,001
Allowance for expected credit losses	(452)	(339)
	<u>36,389</u>	<u>26,578</u>

- (a) The current accounts are JMD accounts which carry an interest rate of 0.05% (2020: 0.05%) per annum.
- (b) These include foreign currency bank accounts of US\$147,368 (2020: US\$131,875). As at 31 December 2021, interest rate on foreign currency bank accounts ranged from 0.01% - 0.05% (2020: 0.02% - 0.05%) per annum. Cash held in a restricted account bears an interest rate of 4.0% (2020 – 4.0%).

- (c) Movement in provision for expected credit losses:

	2021 \$'000	2020 \$'000
Balance at beginning of the year	339	410
Provision for expected credit losses (reversed)/recognized	113	(71)
Balance at end of year	<u>452</u>	<u>339</u>

12. ACCOUNTS PAYABLE

	2021 \$'000	2020 \$'000
Trade payables	6,314	7,846
Statutory liabilities	5,969	3,038
Accrued expenses	13,934	18,436
GCT payable	3,575	5,530
Credit card payables	8,664	3,990
Dividend payable	1,025	166
Others	1,366	4,328
	<u>40,847</u>	<u>43,334</u>

Trade payables are non-interest bearing and are normally settled on 15-30-day terms.

For explanations on the Company's liquidity risk management processes, refer to Note 28(a)(ii).

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

13. CONTRACT LIABILITIES

Contract liabilities represent short-term customer advances received to deliver equipment and to render installation services.

	2021 \$'000	2020 \$'000
Customer advances	<u>3,323</u>	<u>5,252</u>

The movement in contract liabilities is shown below:

	2021 \$'000	2020 \$'000
Balance at beginning of the year	5,252	3,670
Additional customer advance payments	2,307	4,045
Recognised in revenue during the year	<u>(4,236)</u>	<u>(2,463)</u>
Balance at end of the year	<u>3,323</u>	<u>5,252</u>

14. RIGHT-OF-USE ASSET /LEASE LIABILITY

Right-of-use asset

	2021 \$'000	2020 \$'000
At cost:		
Balance as at 1 January and 31 December	<u>25,302</u>	<u>28,369</u>
Depreciation:		
Charge for the year	<u>3,067</u>	<u>3,067</u>
Balance as at 31 December	<u>3,067</u>	<u>3,067</u>
Net book value as at 31 December	<u>22,235</u>	<u>25,302</u>

The right-of-use asset is being depreciated over a period of 10 years and 3 months (the anticipated lease term including extension options).

Lease liability

The lease which commenced in 2014 was renewed in 2019 for a term of five years, and the Company has an option to renew the lease for a further 5-year period. The rental is subject to annual increases.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

14. RIGHT-OF-USE ASSET /LEASE LIABILITY (CONTINUED)

Lease liability (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021 \$'000	2020 \$'000
As at 1 January	29,436	30,599
Interest charged for the year	2,286	2,393
Payments made during the year	(3,823)	(3,556)
As at 31 December	27,899	29,436
Current	1,959	1,536
Non-current	25,940	27,900
	27,899	29,436

The lease liability is secured by the related underlying assets set out above. The maturity of the lease liability at 31 December are as follows:

	Within 1 Yr \$'000	Within 2 yrs \$'000	Within 3 yrs \$'000	Within 4 yrs \$'000	Within 5 yrs \$'000	6-10 yrs \$'000	Total \$'000
31 December 2021							
Lease payments	(4,109)	(4,417)	(4,749)	(5,105)	(5,488)	(13,855)	(37,723)
Interest expense	2,150	1,977	1,764	1,504	1,194	1,235	9,824
	(1,959)	(2,440)	(2,985)	(3,601)	(4,294)	(12,620)	(27,899)
31 December 2020							
Lease payments	(3,823)	(4,109)	(4,417)	(4,749)	(5,105)	(19,342)	(41,545)
Interest expense	2,287	2,150	1,977	1,764	1,504	2,427	12,109
	(1,536)	(1,959)	(2,440)	(2,985)	(3,601)	(16,915)	(29,436)

The following are the amounts recognised in profit or loss:

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	3,067	3,067
Interest expense on lease liabilities	2,286	2,393
Total recognised in the statement of comprehensive income	5,353	5,460

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

15. DEFERRED TAXATION

Deferred taxes are calculated on all temporary differences using the current tax rate of 25% adjusted for the 50% credit to be expected over the next five (5) years. See Note 26.

Analysis for financial reporting purposes:

	2021 \$'000	2020 \$'000
Deferred tax assets	<u>1,068</u>	<u>-</u>

The following are the main deferred tax assets and liabilities recognised by the Company and the movements thereon, during the current period:

	Accrued vacation	ECL provision	Lease liability /Right of use assets	PPE	Interest receivable	Unrealized foreign Exchange gain	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	-	-	-	-	-	-	-
(Charged)/ credited to income for the year	413	1,727	696	(594)	(4)	(1,170)	1,068
At 31 December 2021	<u>413</u>	<u>1,727</u>	<u>696</u>	<u>(594)</u>	<u>(4)</u>	<u>(1,170)</u>	<u>1,068</u>

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

16. PROPERTY AND EQUIPMENT

	Computer Equipment \$'000	Furniture & Equipment \$'000	Total \$'000
At cost:			
1 January 2020	18,680	12,900	31,580
Additions	3,901	375	4,276
31 December 2020	22,581	13,275	35,856
Additions	4,662	893	5,555
31 December 2021	27,243	14,168	41,411
Depreciation:			
1 January 2020	12,460	6,018	18,478
Charge for the year	3,173	1,307	4,480
31 December 2020	15,633	7,325	22,958
Charge for the year	3,961	1,545	5,506
31 December 2021	19,594	8,870	28,464
Net book values:			
31 December 2021	7,649	5,298	12,947
31 December 2020	6,948	5,950	12,898

The following rates are used in the calculation of depreciation:

Furniture and equipment	10%
Computer equipment	33⅓%

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

17. INTANGIBLES

	Computer Software \$'000
At cost:	
1 January 2020	5,236
Disposal	<u>(3,627)</u>
31 December 2020	1,609
Addition	313
Disposal	<u>(670)</u>
31 December 2021	<u>1,252</u>
Amortisation:	
1 January 2020	4,282
Charge for the year	304
Relieved on disposal	<u>(3,627)</u>
31 December 2020	959
Charge for the year	346
Relieved on disposal	<u>(357)</u>
31 December 2021	<u>948</u>
Net book values:	
31 December 2021	<u>304</u>
31 December 2020	<u>650</u>

Intangible assets represent the cost of software and are amortised over 3 years.

18. SHARE CAPITAL

	2021 \$'000	2020 \$'000
Authorized		
106,000,000 ordinary shares of no par value	106,000	106,000
Issued and fully paid:		
Share capital at beginning of year 106,000,000 ordinary shares of no par value	51,727	51,727

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

a) This represents fees for technical services rendered and equipment sold less General Consumption Taxes.

b) The following are entity-wide disclosures:

(i) Geographical areas

There are no geographical segments as all revenues are attributed to the Company's country of domicile.

(ii) Major customers

Revenues from transactions with one customer, which amounted to \$171 million (2020: \$155.00 million) were greater than 10 per cent of the Company's revenues accounting for 44% of revenue (2020: 43%).

c) Performance obligations

(i) Equipment

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 10 days from delivery.

(ii) Warranty

Warranties are provided for one year from the date of purchase on equipment purchased on behalf of the customers. The warranty is not a separate performance obligation on the part of the company as it is directly charged to the manufacturer.

(iii) Installation services

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

(iv) Procurement services

There are contracts with customers to acquire equipment on their behalf. Payment is due within 10 days from delivery after the performance obligation has been satisfied.

Set out below is the amount of revenue recognised from:

	2021 \$'000	2020 \$'000
Amounts included in contract liabilities at the beginning of the year	5,252	3,670
Performance obligations partially satisfied in previous years	<u>4,236</u>	<u>2,463</u>

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

20. EXPENSES BY NATURE

Total direct, administrative and other operating expenses:

	2021 \$'000	2020 \$'000
Technical fees, services and products	136,150	113,993
Advertising and promotion	13,486	9,409
Professional services	5,526	8,387
Property rental and utilities	10,584	8,909
Staff costs (Note 22)	169,537	148,876
Directors' fees	1,945	1,940
Depreciation (Note 16)	5,506	4,480
Amortization of intangible asset (Note 17)	346	304
Insurance	6,965	5,890
Training and subscription	10,618	12,853
Computer and communications	6,623	5,215
Subsistence and staff expenses	4,257	2,989
Corporate expenses	3,968	4,289
Repairs and maintenance	1,371	199
Allowance for expected credit losses	4,760	4,845
Depreciation – lease right of use asset (Note 14)	3,067	3,067
Consultancy fees	10,282	8,998
Other	5,815	6,089
	<u>400,806</u>	<u>350,732</u>
	2021 \$'000	2020 \$'000
Cost of sales	136,150	113,993
Administrative expenses	229,673	206,526
Other operating expenses	34,983	30,213
	<u>400,806</u>	<u>350,732</u>

21. OTHER INCOME, GAINS AND LOSSES

	2021 \$'000	2020 \$'000
Commission	-	84
Dividend income	126	112
Loss on disposal of equipment	(313)	-
Appreciation/(depreciation) in value of investments (quoted equity securities at FVTPL) (Note 9)	398	(1,112)
Foreign exchange gain	8,608	14,607
Other	8,351	708
	<u>17,170</u>	<u>14,399</u>

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

22. STAFF COSTS

	2021 \$'000	2020 \$'000
Salaries and other employee benefits	154,315	135,895
Statutory contributions	15,222	12,981
	<u>169,537</u>	<u>148,876</u>

23. FINANCE INCOME

	2021 \$'000	2020 \$'000
Interest income on debt instruments at amortised cost	<u>1,938</u>	<u>1,726</u>

24. FINANCE COST

	2021 \$'000	2020 \$'000
Interest expense for leasing arrangements	<u>2,286</u>	<u>2,393</u>

25. DISCLOSURE OF EXPENSES

	2021 \$'000	2020 \$'000
Profit before taxation is stated after charging:		
Directors' emoluments (Included in staff costs)	28,975	30,084
Directors' fees	1,945	1,940
Depreciation (Note 16)	5,506	4,480
Amortization of intangible asset (Note 17)	346	304
Depreciation – lease right of use asset (Note 14)	3,067	3,067
Auditor's remuneration	1,912	1,485
Staff costs, inclusive of directors' emoluments (Note 22)	169,537	148,876

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

26. TAXATION

The Company was listed on the Junior Market of the Jamaica Stock Exchange in January 2016 and under the Income Tax Act (Jamaica Stock Exchange Junior Market) Remission Notice, 2010, 100% of income taxes will be remitted by the Minister of Finance during the first five years of listing on Junior Market (Phase one) of the Jamaica Stock Exchange and 50% of income taxes will be remitted by the Minister of Finance during the second five years of listing on the Junior Market (Phase two) of the Jamaica Stock Exchange.

Current and deferred taxes have been calculated using the tax rate of 25%.

The taxation charge is comprised of:

	2021 \$'000	2020 \$'000
Taxation charge	2,046	-
Tax credit- JSE Junior Stock Exchange incentive (50%)	(1,023)	-
Deferred tax credit	(1,068)	-
	<u>(45)</u>	<u>-</u>

The charge for the year is reconciled to the profit as per the statement of comprehensive income as follows:

	2021 \$'000	2020 \$'000
Profit before tax	<u>8,176</u>	<u>22,481</u>
Computed "expected" tax charge @ 25%	2,044	5,620
Difference between profit for financial statements and tax reporting purposes on:		
Expenses not deducted for tax purposes	729	-
Relief given under Junior Stock Exchange Regulation	(1,023)	(5,620)
Other	(1,795)	-
	<u>(45)</u>	<u>-</u>

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

27. RELATED PARTY TRANSACTIONS

During the year, the Company had transactions with related parties in the normal course of business. Related party transactions are detailed below.

	2021 \$'000	2020 \$'000
Related party transactions:		
Key management compensation and directors' emoluments	28,975	30,084
Directors' fees	1,945	1,940
	<u>30,920</u>	<u>32,024</u>

As at 31 December 2021 and 2020, there are no related party receivable or payable balances.

28. FINANCIAL INSTRUMENTS

(a) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- ~ Credit risk;
- ~ Liquidity risk and
- ~ Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

This arises principally from cash and bank balances, securities purchased under resale agreements and amounts due from customers and related parties.

The maximum exposure to credit risk is reflected in the statement of financial position at the reporting date.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2021	2020
	\$'000	\$'000
Financial assets:		
Cash and bank balances (Note 11)	36,389	26,578
Accounts receivable (Note 7)	68,433	71,789
Short-term investments (Note 9, 10)	116,195	91,388
Long-term investments (Note 9)	10,158	36,170
Contract assets (Note 6)	26,337	34,863
Other receivables (Note 8)	5,744	3,901
	<u>263,256</u>	<u>264,689</u>

Cash and bank balances and securities purchased under resale agreements

The Company limits its exposure to credit risk including investments by placing cash resources with substantial counterparties who are believed to have minimal risk of default.

Accounts receivable and other receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Accounts receivable mainly consist of amounts owing from corporate customers. As at 31 December 2021, amounts receivable from three (2020: three) customers that individually accounted for greater than 5% of the accounts receivable balance represented 45.84%, 5.66%, 5.07% (2020: 41.9%, 5.7%, 5.1%). There are no other concentrations of credit risk.

The Company does not require collateral in respect of trade and other receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for various customers with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than 90 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 7.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

Accounts receivable and other receivables and contract assets (continued)

	Trade receivables						Total
	Days past due						
	0-30 days	31 - 60 days	61 - 90 days	91 - 180 days	Over 181 - 365 days	Over 365 days	
2021	Current						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	0.92%	1.44%	6.61%	19.28%	16.51%	100%	
Estimated total gross carrying amount at default	51,245	1,937	6,488	8,079	3,797	7,665	79,211
Expected credit loss	471	28	429	1,558	627	7,665	10,778
	Trade receivables						Total
	Days past due						
	0-30 days	31 - 60 days	61 - 90 days	91 - 180 days	Over 181 - 365 days	Over 365 days	
2020	Current						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	0.00%	0.42%	1.33%	2.74%	15.05%	100%	
Estimated total gross carrying amount at default	49,767	4,730	6,904	7,673	3,574	6,642	79,290
Expected credit loss	-	20	91	210	538	6,642	7,501

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(i) Credit risk (continued)

12 month expected credit loss	2021		2020	
	Average Expected Credit Loss Rate	Expected credit loss	Average Expected Credit Loss Rate	Expected credit loss
		\$'000		\$'000
Financial assets				
Cash and cash equivalents	1.10%	452	1.43%	339
Government securities purchased under resale agreements	1.10%	871	0.50%-0.96%	961
Investments	0.005%-1.10%	274	0.82%	257

There were minor changes in the credit ratings of the underlying securities or corporate rating for the debt instruments as at year end.

Contract assets had a gross carrying amount of \$27.78 million (2020: \$40.27 million) with an impairment provision of \$1.44 million (2020: \$1.99 million).

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk may result from an inability to sell a financial asset at, or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Company's liquidity management process, as carried out within the Company and monitored by the Finance Department, includes:

- ~ Monitoring future cash flows and liquidity on a bi-weekly basis.
- ~ Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.

The following table details the Company's contractual maturity for its financial liabilities. The table below has been drawn up for financial liabilities, based on the earliest date on which the Company can be required to pay. The financial liability below includes; trade payables, contract liabilities and lease liabilities.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued)

	Average Effective Interest rate	Less than 1 Year \$'000	1 - 5 Years \$'000	Over 5 Years \$'000	Total \$'000
2021					
Financial liabilities:					
Non-interest bearing	0.00%	26,661	-	-	26,661
Interest bearing liability	7.95%	4,109	19,759	13,855	37,723

	Average Effective Interest rate	Less than 1 Year \$'000	1 - 5 Years \$'000	Over 5 Years \$'000	Total \$'000
2020					
Financial liabilities:					
Non-interest bearing	0.00%	24,620	-	-	24,620
Interest bearing liability	7.95%	3,823	18,380	19,342	41,545

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The nature of the Company's exposures to market risks and its objectives, policies and processes for managing these risks have not changed significantly over the prior year. For each of the major components of market risks the Company has policies and procedures in place which detail how each risk is managed and monitored. The management of each of these major components of market risks and the exposure of the Company at the reporting date to each major risk are addressed below.

Currency risk

Foreign currency risk is the risk of loss arising from adverse movements in foreign exchange rates. The Company undertakes certain investment transactions denominated in currencies other than the Jamaican dollar. Exchange rate exposures are managed within approved policy parameters and maintaining a manageable balance in the types of investments. The Company's investment portfolio is exposed to foreign exchange risk primarily with respect to the United States dollar.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued)

(iii) Market risk (continued)

Currency risk (continued)

Derivative financial instruments are not presently used to reduce exposure to fluctuations in foreign exchange rates.

Concentration of currency risk

The table below summaries the Company's exposure to foreign exchange rate risk as at 31 December 2021.

	2021 \$'000	2020 \$'000
Bank of Jamaica foreign exchange buying rates (JM\$ to US\$)	152.75	142.70
Financial assets:		
Cash resources (Note 11)	22,511	18,819
Short term investments (Note 9, 10)	94,356	87,294
Total financial assets	116,867	106,113

Foreign currency sensitivity

The Company's investment portfolio is exposed to the United States dollar. The Company's sensitivity to a 2% increase and an 8% decrease (2020: 2% increase, and a 6% decrease) in the Jamaican dollar against the United States dollar is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate.

The sensitivity of the 2% increase or 8% decrease (2020: 2% increase or 6% decrease) in the Jamaican dollar against the United States dollar exposure would be a decrease in profit by \$2.34 million (2020: \$2.12 million) or increase of net profit by \$9.35 million (2020: \$6.37 million).

The Company's sensitivity to foreign currency has decreased during the year mainly due to increased holdings of foreign cash and short-term investments balances.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management (continued)

(iii) Market risk (continued)

Interest rate risk

The Company's interest rate risk arises from deposits, repurchase agreements and lease liability.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested to current market rates. Short and long-term deposits are at fixed rates and are carried at amortised cost.

Price risk management

The Company is exposed to price risks arising from quoted equity instruments and unit trust investments.

Price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks at the reporting date. The analysis is prepared assuming that the number of units at the reporting date remains the same for the whole year. A 5% increase or 5% decrease (2020: 5% increase or 10% decrease) represents management's best estimate of the possible change in equity prices.

If bid prices had been 5% higher and 5% lower (2020: 10% higher/lower) and all other variables were held constant, they would result in an increase/decrease in net profit as detailed below:

	2021 \$'000 5% increase/ 5% decrease	2020 \$'000 5% increase/ 10% decrease
Quoted shares	232/(232)	212/(424)
Investment in unit trust	<u>276/(276)</u>	<u>259/(518)</u>

The change in sensitivity is due to the decrease in the fair value of quoted shares and increase in the unit price of the investment in unit trust.

(b) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments (continued)

The following methods and assumptions have been used to determine the fair values of the Company's financial instruments:

- (i) The carrying values of cash and bank balances, receivables (excluding income tax recoverable), accounts payable, securities purchased under resale agreements and investments in short-term fixed interest rate bearing securities approximate their fair values because of the short-term maturity of these instruments.
- (ii) Investments represents quoted equities which are valued using the year end closing bid price published by the Jamaica Stock Exchange and investment in unit trust using net asset value per unit prices quoted by brokers.
- (iii) The carrying value of long-term investments approximates fair value, as the interest rates are based at market rates at year end.
- (iv) The fair values of the Company's lease liability are determined by using the discounted cashflow method, using discount rate that reflects its bankers borrowing interest rate as at the end of the reporting period.

No significant unobservable inputs were applied in the valuation of the Company's financial instruments classified as fair value through profit or loss.

Fair value measurement recognised in the statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 (See Note 4(b)) based on the degree to which the fair value is observable:

	2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Equity securities	4,637	-	-	4,637
Investment in unit trust	-	5,521	-	5,521
	2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Equity securities	4,239	-	-	4,239
Investment in unit trust	-	5,183	-	5,183

There were no transfers between Level 1 and Level 2 during the period.

Notes to the Financial Statements

Year ended 31 December 2021 (Expressed in Jamaican dollars unless otherwise indicated)

28. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The directors of the Company seek to maintain a strong capital base so as to maintain shareholder and creditor confidence. The Company defines capital as total shareholders' equity. There were no changes in the Company's approach to capital management during the year.

29. EARNINGS PER STOCK UNIT (EPS) ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY

Earning per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units.

	2021	2020
Net profit attributable to stockholders (\$'000)	8,221	22,481
Weighted average number of ordinary stock units	106,000,000	106,000,000
Basic earnings per stock unit (\$)	<u>0.08</u>	<u>0.21</u>

30. DIVIDENDS

During 2021, the Company declared a dividend of \$5.62 million or \$0.053 per share. At 31 December 2021 of the amount declared \$5.62 million was paid. No dividend was declared for year ended 31 December 2020. Dividend payable at 31 December 2021 of \$1.025 million (2020: \$0.167 million) is included in accounts payable.

31. CORONAVIRUS UPDATE

On 30 January 2020, the World Health Organization declared the outbreak of a novel strain of Coronavirus (COVID 19) to constitute a 'Public Health Emergency of International Concern'. This global outbreak, and the response of governments worldwide to it, has disrupted supply chains and activities across a range of industries. The extent of the impact of COVID 19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. A series of precautionary and control measures have been and continue to be implemented by the Company.

The Company has implemented measures specifically around cash flow management and adherence to COVID 19 protocols issued by the Ministry of Health in the daily operation of their business. The effect of the COVID-19 pandemic is being felt in all industries and financial markets have been very volatile. In particular, the equity markets have experienced increases. The profitability of the Company was impacted by the pandemic for the year ended 31 December 2021. This resulted from supply chain issues resulting in lagging dates for completion of projects.

Notes

[illegible]



Form of Proxy

I/We _____ of
_____ (address)

being a shareholder(s) of the above-named Company, hereby appoint:

_____ (proxy name)

of _____ (address)

or failing him, _____ (alternate proxy)

of _____ (address)

as my/our proxy to vote for me/us on my/our behalf at the 2022 Annual General Meeting of the Company to be held at **3.00 p.m. on Thursday, September 15, 2022, in a fully electronic format** and at any adjournment thereof.

Please indicate by inserting a tick in the appropriate square how you wish your votes to be cast.

Unless otherwise instructed, the proxy will vote or abstain from voting, at his/her discretion.

No	Resolution Details	FOR	AGAINST
1	Resolution No. 1: "That the Directors' Report, the Auditor's Report and the Statements of Account of the Company for the year ended December 31, 2021 be approved."	<input type="radio"/>	<input type="radio"/>
2	Resolution No. 2a: "That retiring Director Hugh Allen be and is hereby re-elected a Director of the Company."	<input type="radio"/>	<input type="radio"/>
	Resolution No. 2b: "That retiring Director Tracy-Ann Spence be and is hereby re-elected a Director of the Company."	<input type="radio"/>	<input type="radio"/>
3	Resolution No. 3: "That the amount of \$1,945,000 included in the Audited Accounts of the Company for the year ended December 31, 2021 as fees for their services as Directors be and is hereby approved."	<input type="radio"/>	<input type="radio"/>

Signed this _____ day of _____ 2022:

Signature: _____ (Signature of primary shareholder)

Name: _____ (Name of primary shareholder)

Taxpayer Registration Number: _____ (Primary Shareholder)

Signature: _____ (Signature of secondary shareholder)

Name: _____ (Name of secondary shareholder)

Notes:

1. If the appointer is a Corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.
2. A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company. A Proxy Form is enclosed for your convenience. Completed Proxy Forms must be lodged at the Company's Registered Office, 69 ½ Harbour Street, Kingston at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.
3. The Taxpayer Registration Number is required to determine shareholdings across all JCSD Broker Accounts held.

PLACE STAMP



